



P.O. Box 1026  
Roseburg, OR 97470  
541.672.2648

RoseburgChamber.com

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To the Honorable Chair Meek, Vice-Chair McLane and  
Members of the Senate Committee on Finance & Revenue,

To say the Roseburg Area Chamber of Commerce (RACC) opposes HB 3962A would be a massive understatement. Our opposition has nothing to do with RACC operationally. We do not receive any transient lodging tax (TLT) dollars; we are not a destination marketing organization (DMO); and, have no desire to be a DMO. We do have the utmost respect for the chambers of commerce and other non-profit organizations around our state that serve as DMOs with grace, dedication and professionalism.

Every RACC legislative and public affairs agenda since 2004 has stated “RACC will oppose any attempt to repeal or change the state of Oregon’s 2003 Transient Lodging Tax law, or legislation that would lessen percentages of TLT funds dedicated to visitor services and tourism promotion.” The chamber holds this position for no other reason than in defense of our local businesses. The chamber reviews its positions annually and this remains a core issue. We oppose HB 3962A and the attempt to divert TLT dollars because it is harmful to local business, period.

HB 3962 would fundamentally alter the definitions set forth in the 2003 legislation, which created a 70/30 split with 70% dedicated to tourism promotion, marketing or facilities and 30% unrestricted for the local municipality to use in whatever manner they choose. If passed, HB 3962A would essentially “flip” the percentages with 60% of TLT dollars being unrestricted at the local level and 40% being available for tourism promotion, marketing and facilities. Cutting marketing and promotional dollars by nearly half!

The purported facts and numbers used by municipalities behind HB 3962A to argue their case for needing more of the TLT funds just don’t translate. Significant TLT funds mandated to tourism promotion should not have been set aside year after year and held “in reserve” under the guise of promotion being unwarranted, when hotel occupancy rates are 30, 40, 50, 60% lower in the shoulder or low tourism months compared to the peak season. Those funds should have been used for the intended purpose. Refusal to spend the TLT dollars as designated under law is not responsible stewardship of TLT funds.

Touting significant increased crime by tourists should come with verifiable proof of out-of-area residency combined with confirmation of a local lodging stay. Attributing event visitor counts so large when barely 15-20% could actually be staying in a local lodging facility should be qualified (E.g. an event is said to add 15,000 people to a local population, but there are less than 800 lodging rooms in the same community; clearly the majority of these 15,000 folks are not staying in local hotels and paying the TLT tax). Yet, there is an attempt to place the financial burden squarely on a specific industry—the lodging industry.

Many Oregon communities have a shortage of law enforcement officers. Diverting TLT funds isn’t going to solve the unfortunate fact that there are simply less law enforcement professionals and fewer



*To advocate for and be the voice of the business community in the greater Roseburg area.*

*To strengthen, enhance and protect our members through political advocacy, economical development, community promotion and member programs and services.*

individuals interested in pursuing the profession. Local governments desperately want to access these TLT funds to subsidize budget deficits. HB 3962A is not an acceptable solution. Additionally, there is no justification in permanently diverting almost 50% of current tourism-dedicated funds based on a single "visitor" event or weekend, or even a handful of events.

We get it. Cities and counties are facing budget shortfalls and looking for revenue sources wherever they can find them. It doesn't change that general tax dollars should pay for community infrastructure and community services. Pilfering the TLT dollars, rather going to citizens in the community to pay for community needs is going down the path of least resistance. And, it's wrong. If HB 3962A passes, we could see cities and counties currently without a TLT attempting to pass a tax purely for additional revenue for city or county services on the back of our local lodging industry and making them less competitive.

Proponents' argument that the world has changed since TLT law was enacted in 2003 is a correct statement. The world has changed. It doesn't, however, make it a valid reason to change existing law. Things haven't just changed for local governments; it has also changed for lodging, hospitality, tourism and related businesses, mostly small businesses. What hasn't changed is the need that those dedicated funds be spent on tourism promotion.

Current TLT law has been a proven success over the past 20 years, bringing visitors to Oregon communities. But, due to world events, current visitor travel is down and those TLT dollars are even more imperative today to the survival and sustainability of thousands of small businesses across Oregon, particularly in rural Oregon. And, it's a little disingenuous for supporters of HB 3962A to rely on the argument that things are different today than 20 years ago, considering there have been so many, repeated attempts over these past 20 years to divert the TLT funds away from the intended purpose.

ANY change to current statute related to the TLT percentages, allowed uses, definitions, etc., is a betrayal of an industry that **asked** to be taxed in order for there to be funds dedicated to the growth of numerous industries and the betterment of our communities; an industry that **compromised** on the percentage, giving up 30% to local governments. HB 3962A isn't just adverse to business and economic growth and sustainability; it is anti-business and exhibits a complete lack of care and support, specifically for small local businesses.

Please show you value our local businesses with your "NO" vote on HB 3962!

Respectfully,

ROSEBURG AREA CHAMBER OF COMMERCE  
DOUGLAS COUNTY CHAMBER OF COMMERCE



Debra L. Fromdahl, IOM  
President & CEO

ROSEBURG AREA CHAMBER OF COMMERCE

P.O. Box 1026

• 410 SE Spruce Street

• Roseburg, OR 97470