



June 23, 2025

RE: Support for Local Lodging Tax Flexibility

Dear Chair Meek and Member of the Committee

The City of Nehalem supports HB 3962 A. Local lodging taxes are taxes paid by visitors of hotels, motels, short term rentals and campgrounds. In 2003, the state passed a preemption on local transient lodging taxes that established restrictions around how local lodging tax dollars could be spent, requiring at least 70% of new or increased taxes to go toward tourism promotion and tourism-related facilities and reserving the remaining 30% for local discretionary spending. HB 3962 A provides more local lodging tax flexibility by allowing cities to have more discretionary general fund dollars to provide services that tourism relies on including public safety and community infrastructure.

Under current court interpretations, existing definitions of tourism promotion and tourism-related facilities only leave local jurisdictions so much leeway to respond to the strains of tourism. Right now, communities bear the burden of maintaining and operating things that directly benefit tourists that are primarily funded by and for community members, like public safety, park, etc.

Our quant little city is located on the coast which makes us and our surrounding cities and outdoor recreation destination which boosts our city's economies, however it's harder for smaller cities like ours to keep up with the influx and this would help alleviate some of the smaller cities budgeting concerns.

We urge your support of HB 3962 A!

Respectfully,

Lori Longfellow
City Manager
City of Nehalem