

Eastern Oregon Visitors Association PO Box 511 La Grande, OR 97850 541-970-4551

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June 24, 2025

**ATTENTION: Senate Committee On Rules** 

Dear Chair Jama, Vice-Chair Bonham, and honored members of the Senate Committee on Rules,

I serve as the Executive Director of the Eastern Oregon Visitors Association (EOVA), a regional Destination Marketing and Management Organization (RDMO), serving eleven (11) counties and two (2) tribal governments east of the Cascades.

I am writing to you today to urge you to vote NO on HB 2977-5. This bill proposes a threat to the industry during already uncertain times and undermines the intent and momentum of Oregon's tourism industry.

I have strong concerns about the unintended, adverse impacts this could have on our rural partners. HB 2977-5 proposes increasing the state lodging tax from 1.5% to 2.75%, but diverts the additional revenue away from tourism promotion.

As global uncertainty continues to suppress travel spending, increasing taxes on visitors will make Oregon less competitive for conventions, group events, and leisure travel. For destinations already struggling to rebuild shoulder-season visitation, this is not the moment to risk market share.

It's important to remember, too, that Oregon's lodging tax is a **self-assessed tax** — created by the industry to fund its own economic development. Notably, lodging partners are not the ones asking for this change.

Some of the ramifications for Eastern Oregon and other rural communities across the state include:

- Threat to the Industry During Uncertain Times
  - For destinations already struggling to rebuild shoulder-season visitation, this is not the moment to risk market share. Right now the World Travel and Tourism Council is forecasting a \$12.5 billion loss in international travel spending- this impact will reverberate beyond the hospitality industry to impact our broader communities. It is critical in this moment that we preserve Oregon's competitive position in the market.
- Negative Impact to Rural Communities
  - Smaller DMOs in rural areas rely heavily on these funds to market their communities. **Diverting critical tourism dollars at this moment would reverse years of progress** made possible by the current tourism funding model.

Given the short legislative timeline, I urge you to **pause this effort** and convene a work group during the interim. This would allow for more thoughtful dialogue to seek sustainable solutions that support both tourism and the needs of *Oregon's Wildlife Fund and other associated agencies*. I would be happy to serve on such a committee and lend my time to this important conversation.

Thank you for your time, your service, and your thoughtfulness in navigating this complex issue. I'm happy to discuss further and can be reached at my email or by phone at **541-970-4551**.

Sincerely,

Alana Garner Carollo

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**Executive Director** 

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