



June 24, 2025

Re: HB 2977 Opposition

Chair Jama, Vice-Chair Bonham, and Members of the Senate Committee on Finance and Revenue:

As the executive director of Travel Southern Oregon, our Regional Destination Management Organization charged with optimizing the investment of current state TLT dollars, I ask that you support the future stability of our tourism and hospitality by opposing HB 2977.

There seems to be a sense that the tourism industry is an endless source of abundance. Recent efforts to shift allocations for local transient lodging taxes to cover general fund expenditures are one way of re-directing the critical economic development dollars the tourism industry re-invests into Oregon's economy. HB 2977 is a more concerning example of one agency, ODFW, boldly asserting a claim on another agency's sole revenue stream.

The truth is our industry is still recovering from Covid impacts, fire impacts and a continuing uncertain economic environment for both domestic and international travelers. Portland remains down 30% from 2019 levels, and in the last year we have data, much of the state was flat in terms of growth in TLT and tax dollars generated.

In 2003, as you know, lodging operators stepped up as a unified constituency and agreed to fund their own state agency through a state TLT, and give the state back the lottery dollars that were used for funding prior to 2003. The Oregon Tourism Commission became one of a few state agencies funded by a direct constituency.

The 1.5% statewide tax is added on top of many city and county taxes collected at the local level – taxes which can total as much as 16%. The hospitality industry has serious concerns about the cumulative effect of a statewide lodging tax increase. Increasing the statewide tax directly threatens Oregon's market position as we compete for conferences, sporting events, and group travel.

The Oregon Department of Fish and Wildlife also has a constituency that helps pay for its operations. These constituents are Hunters and Fishermen paying annual licensing fees to help fund their Agency and its programs. On top of these license fees, ODFW receives money from the State's General Fund, Federal funds and Lottery dollars. ODFW currently has multiple revenue streams.

When ODFW constituents were asked to help fund the programs contained in HB 2977, they told the Department they did not value the program enough to pay for them and asked the Department to seek other funding sources. ODFW's own constituents do not value the programs enough and now the tourism industry is asked to pay for something that does not benefit their constituency.

ODFW should not be poaching another state agency's revenue source. The solution to ODFW's revenue problem is straightforward. ODFW can pursue additional revenue through one of the four funding sources they currently have access to (Federal, State General Fund, Lottery, and Constituent licenses/fees).

The Oregon Tourism Commission has one source of revenue and is supported by its constituency. ODFW has multiple sources of revenue and ODFW's constituency has told them they will not support this program.

I know this is an ORLA talking point, so forgive me for repeating it--but this is important. HB 2977 is the wrong solution to an ODFW issue. Please show that you value the immense economic contributions the tourism and hospitality industry make to the state of Oregon, Southern Oregon and many constituents in your district by opposing HB 2977.

Sincerely,

A handwritten signature in cursive script that reads "Robert Hackett".

Robert Hackett
Executive Director, Travel Southern Oregon
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