

County Commissioners
Danielle Bethell, Chair
Colm Willis
Kevin Cameron



**Chief Administrative
Officer**
Jan Fritz

MARION COUNTY BOARD OF COMMISSIONERS

June 24, 2025

Chair Senator Mark Meek
Vice-Chair Senator Mike McLane
Members of the Senate Committee on Finance and Revenue

RE: Marion County Opposes HB 3962

Chair Meek, Vice-Chair McLane, and Members of the Committee:

The Marion County Board of Commissioners writes to respectfully express our opposition to House Bill 3962.

While we understand the budgetary pressures facing cities and counties across Oregon, we do not believe HB 3962 presents a viable or sustainable solution. The proposal to reallocate a greater share of lodging tax revenue away from tourism-related investments will have serious unintended consequences for Oregon's tourism economy and the many small businesses that rely on it.

The 70/30 split in the current law reflects a long-standing and carefully negotiated balance between the needs of local governments and the economic benefits of investing in tourism promotion and infrastructure. HB 3962 would disrupt this agreement, weakening the tools that communities use to attract year-round visitors and support local economies, particularly in rural and coastal regions where seasonal variation in tourism is extreme.

It's also important to recognize that tourists already contribute significantly to local public safety, infrastructure, and general government services, not through redirected lodging tax revenue, but through the economic activity their presence generates. When visitors patronize local restaurants, gas stations, shops, and recreational services, those dollars flow through our communities in the form of gas taxes, property taxes, payroll, and utility fees. A healthy and vibrant tourism economy creates a stronger business environment, supports year-round employment, and lifts the overall economic conditions of a region. This, in turn, expands the tax base and enhances the very public services cities and counties rely on. HB 3962 risks undermining that virtuous cycle.

We understand that many local governments are experiencing financial strain. But changing the allocation of lodging taxes will not solve these systemic budget challenges. In fact, we are concerned it may worsen them over time by reducing overall tourism revenue that helps support local businesses, jobs, and secondary tax revenues from property and income taxes.

If the Legislature is serious about addressing long-term local government funding needs, we urge a broader, more transparent, and solutions-focused conversation. The revenue struggles counties

and cities are experiencing, from growing public safety costs to infrastructure maintenance, require thoughtful and holistic fiscal reform, not piecemeal redistribution of economic development tools.

For these reasons, we respectfully urge the Committee to vote no on HB 3962 and instead engage with counties and cities across the state in a serious conversation about modernizing Oregon's local government finance system.

Thank you for your time and consideration.

Sincerely,

		
<u>Danielle Bethell</u>	<u>Colm Willis</u>	<u>Kevin Cameron</u>
Chair	Commissioner	Commissioner