June 24, 2025

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

For the record my name is Greg Astley and I'm the Director of Government Affairs for the Oregon Restaurant & Lodging Association.

I'm here today to speak in strong opposition to HB 3962A.

I'd like to address the myth of the 70/30 split and the impact HB 3962 A will have on tourism promotion and marketing budgets.

The 70/30 split only applies to new or increased taxes after July 1, 2003. Most cities have a blended rate of how much they were spending on tourism before 2003 and how much they are spending after 2003 if they have new or increased Transient Lodging Taxes (TLT).

Accompanying this testimony is a bar graph from 2018 denoting spending of TLT dollars in the seven tourism regions of Oregon. Looking at the chart, four of the seven regions, including the coast, are spending ***more*** than 50% as unrestricted dollars. Those dollars are being spent however the city or county chooses to spend them: public safety, roads, infrastructure or any other purposes.

If HB 3962A passes, tourism spending will be cut and it can't come from tourism-related facilities if the money going to those facilities is paying off bonds.

This means the cuts in tourism spending will need to come from promotion and marketing, dropping them below the 40% "floor" as shown in the pie chart presented yesterday in testimony by my colleague Jason Brandt.

Those tourism promotion and marketing dollars allow the hospitality industry to create local jobs and spur economic development resulting in more money for local governments.

Cutting promotion and marketing dollars will not only have an immediate impact but will have long-term negative effects.

In 1993, the state of Colorado cut marketing dollars and it took them 15 years to recover economically. During that time, the Colorado economy lost $2 billion in revenue and their market share for tourism dropped 30% in just two years *(Longwoods International study, 2009)*

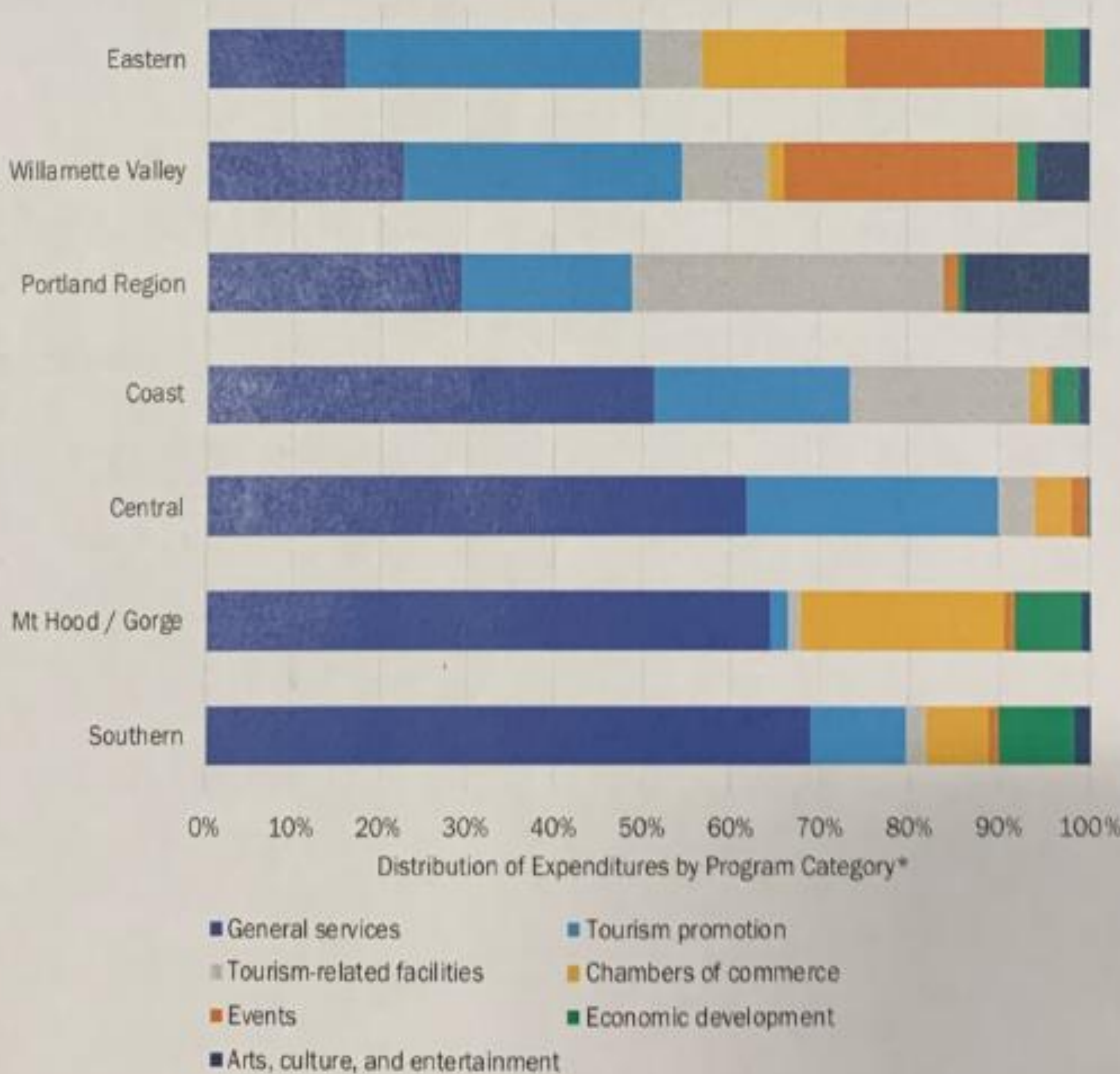
Please oppose HB 3962A to protect Oregon jobs and local economies.

Greg Astley
Director of Government Affairs
Oregon Restaurant & Lodging Association

Exhibit 37 shows that in FY 2018, Southern, Mt. Hood/Gorge, Central, and the Coast regions spent more than half of their TLT revenue on general services. The Portland Region and the Coast spent a larger share of their revenues on tourism-related facilities compared to other regions in Oregon (35% and 25%, respectively). With the exception of the Portland Region (14%) most regions did not spend a large share of their TLT revenues on arts, culture, and entertainment.

Exhibit 37. Comparison of Spending by Program Category, Participating TLT Jurisdiction by Tourism Region, FY 2018

Source: *Local Transient Lodging Tax: Expenditures and Administration* (2019), ECONorthwest.



*Note: Expenditures in the program category "Other" and the program category "Administration and Overhead" are excluded for this analysis.