

To: House Committee On Revenue
From : Joe Buck, Mayor of Lake Oswego & Local Business Owner
RE: HB 4148

Please note the following statement is my own and not a representation of the City of Lake Oswego. The City Council does not have a position on HB 4148.

Dear Chair Nathanson, Vice Chairs Walters and Reschke, and Members,

As both a hospitality business owner and a mayor, I understand why communities feel pressure to use more transient lodging tax revenue for public safety, parks, and maintenance. There are real costs and impacts associated with tourism, and structural issues with our property tax system are straining Oregon's cities. But it's important to remember that cities already receive 30 percent of these funds for fully discretionary spending based on local needs. There are also compromises on the table to allow modification of the ratio for cities locked into larger portions of TLT than agreed on in the 2003 legislation.

At the same time, there are clear economic benefits to investing the remaining share in tourism facilities and promotion. In fact, Lake Oswego recently increased fees on businesses to boost our ability to market and promote the city. In our case TLT earnings alone are insufficient to accomplish our visitor goals. I also understand that every city is in a different boat in this regard with various levels of TLT revenues, visitors and impacts.

A sensible path forward is not to dilute that investment, but to modernize it—by allowing tourism funds to support beautification, cleaning, and event-related public safety that directly serve visitors and residents alike. Let's utilize time to bring stakeholders together to put solutions together that benefit cities and local residents without undercutting the importance of tourism on our statewide economy.

I also believe it is important to consider this discussion in the broader context of state policy. While local governments are being encouraged to reduce or redirect tourism investments, the state is simultaneously justifying substantial public spending on a single, centralized tourism-related facility based on its economic development value. That sends a mixed message.

Either reinvesting in tourism is a sound public strategy, or it is not. If it is, that principle should apply consistently at both the local and state levels. If it is not, then we should be candid about that as well. Applying different standards depending on the scale or location of an investment weakens the overall policy rationale. If public investment is justified to subsidize a billionaire-owned sports franchise, then it should be equally important to support the thousands of local businesses owned by everyday Oregonians, who employ fellow Oregonians and have been the backbone of our local economy for decades.

Thank you for the opportunity to provide this input, for your consideration and your service to Oregon.