



Date: March 18, 2024

Name: Explore Sisters

Bill Number and Committee: HB 3556 – House Committee on Emergency Management, General Government, and Veterans

Dear Chair Tran, Vice-Chairs Grayber and Lewisand, and members of the House Committee on Emergency Management, General Government, and Veterans.

My name is Scott Humpert, and I am the Executive Director for Explore Sisters, the Destination Management Organization (DMO) representing tourism for Sisters, OR. I appreciate the opportunity to express my opposition to HB 3556.

Previously serving as the Senior Marketing Manager for Explore Lincoln City on the Oregon Coast for more than 10 years, it has been my privilege to serve the Sisters community over the past several years and steward the value that tourism brings to our local economy. While tourism is one of the most significant economic drivers for Sisters and the Central Oregon region, I understand the challenges faced by increased tourism in our area, which is why Explore Sisters takes a management approach to tourism in addition to marketing.

It is the successful collaboration between the local and regional DMOs and Travel Oregon that is helping to generate economic activity and new jobs across Oregon, in even the most rural parts of our state. DMOs focus their tourism development and marketing programs on non-peak travel seasons because they know the importance of leveling the seasonality of tourism to create year-round job security and stability in our communities. That stability helps DMOs build a healthy tourism economy and implement local programs that are reflective of Oregon's values.

As one of the newest DMOs in the state, Explore Sisters is just getting started. From off-peak marketing efforts, encouraging responsible visitation, embracing environmental stewardship, to sponsoring local events and tourism initiatives, achieving Dark Sky Community certification, participating as a key member of local leadership groups, and collaborating with neighboring DMOs, we support our community in many ways. As we grow lodging tax dollars to develop additional financial resources we can continue to lead and expand tourism initiatives in Sisters.

At the state level, tourism has become a bedrock of Oregon's economy as a result of the Tourism Investment Proposal of 2003, which created Travel Oregon, established a dedicated funding source through the statewide transient lodging tax, and protected local funding investments in tourism.

During the recession of 2003, the Governor, legislature, and leaders across the state recognized that tourism was an untapped market, and that strategic and sustained investment in tourism was needed to establish Oregon as a travel destination for business and leisure.

Tourism pays its fair share. Over \$1.1 million dollars is generated annually in Sisters through the local lodging tax. Explore Sisters receives up to 33% of these funds while the remaining 66% supports the City's general fund, which is invested in public safety among other efforts at the discretion of City decision makers. Diverting significant funds away from tourism inhibits Explore Sisters ability to grow, further supporting our industry partners and community. It also inhibits

our ability to grow the availability of general fund resources generated through increased lodging tax collections.

In Sisters, Central Oregon, and statewide the return on the investments from Transient Lodging Tax (TLT) is clear:

- \$50 million in annual visitor spending in Sisters, \$1.3 billion in Central Oregon, and \$14 billion statewide
- Average visitor spending of nearly \$100 per day in Central Oregon
- Supports the creation of nearly 11,000 jobs in Central Oregon
- For every \$1 spent on marketing, the average visitor spends \$157+ in our communities.

We are strongly opposed to HB 3556 and encourage you to vote no on this measure. There are countless programs and stories from Central Oregon that have been galvanized by the state lodging tax investment to create sustainable product development and marketing programs. These opportunities are particularly vital to Oregon's rural communities as they continue to transition from resource-based economies to economies that include tourism marketing and management. We cannot afford to reduce or cease this momentum so critical to our rural partners.

Your opposition to HB 3556 will allow your constituents and businesses in our destination to consistently plan for strategic investments, and to continue important projects and partnerships vital to Oregon's economic viability.

Thank you for helping your tourism constituency remain stewards of Oregon's natural wonders. We will continue our work to support vibrant local communities to improve livability for all residents of Oregon.

Thank you for the privilege to submit this testimony for your consideration.



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