



March 18, 2025

House Committee on Emergency Management,
General Government, and Veterans
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: Local Lodging Tax Flexibility

Dear Chair Tran and Members of the Committee,

The City of Nehalem supports HB 3556. HB 3556 adds “tourism-impacted services” as an allowable use in the restricted 70% portion of local lodging tax funds. These services include public safety (fire, EMS, and police) and community infrastructure (water, wastewater, transportation, parks, trails and public amenities). In 2003, the state passed a preemption on local transient lodging taxes that established restrictions around how local lodging tax dollars could be spent, requiring at least 70% of new or increased taxes to go toward tourism promotion and tourism-related facilities and reserving the remaining 30% for local discretionary spending.

Under current court interpretations, existing definitions of tourism promotion and tourism-related facilities only leave local jurisdictions so much leeway to respond to the strains of tourism. Right now, communities bear the burden of maintaining and operating things that directly benefit tourists that are primarily funded by and for community members, like public safety, and community infrastructure.

Our quaint little city is located on the coast which makes us and our surrounding cities an outdoor recreation destination which boosts our city’s tourism economies. It’s harder for smaller cities to keep up with the influx and this would help alleviate some of their budgeting issues.

We urge your support of HB 3556 and hope you will move the bill to the House Revenue Committee for more conversation.

Respectfully,

Lori Longfellow

Lori Longfellow
City Manager
City of Nehalem