



**Date:** March 20, 2025

**Name:** Oregon Destination Association

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

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

My name is Mackenzie Ballard, and I am the Managing Director of the Oregon Destination Association (ODA). ODA has been the unified industry voice for Oregon's Destination Management Organizations (DMOs) and regional tourism industry organizations for more than three decades. ODA's membership consists of nearly 100 DMOs representing all seven tourism regions in Oregon. Our DMO members represent every community in Oregon, from rural to urban, coast to the mountains to the high desert; operating with annual budgets of less than \$100,000 to more than \$35 million.

On behalf of our diverse statewide membership, I appreciate the opportunity to convey **our opposition to HB 3556**.

Now, more than ever, we need to safeguard the reinvestment of TLT funds. There's a misconception that Oregon communities have fully recovered from the economic impacts of the pandemic. Here are the facts according to 2024 statewide hotel performance data from STR reports:

- None of Oregon's seven tourism regions have regained pre-pandemic occupancy levels.
- Statewide occupancy is down 7.6 percent compared to 2019, making the industry vulnerable to further funding reductions.
- Portland - a key tourism hub, is down 10.6 % in total revenue compared to 2019.

Tourism relies on TLT funds to support critical components in driving visitation and supporting local economies. HB 3556 proposes to divert TLT funds away from an industry that hasn't fully rebounded. **Opposing HB 3556** will ensure Transient Lodging Tax continues to be invested where it has the highest and best return for Oregon residents.

ODA's members are responsible, accountable tourism professionals, part of the nearly 120,000 Oregonians employed in tourism statewide. DMOs generate millions of dollars in economic impacts for local communities across Oregon. The tourism and hospitality

industry is one of Oregon's largest traded sector employers and a leading contributor to our gross state product.

It is the successful collaboration and the local/state partnership between DMOs and Travel Oregon that help generate new jobs and economic vitality across Oregon. Especially important in even the most rural parts of our state. DMOs want to *level the seasonality of tourism visitation* to help ensure year-round employment and economic vitality for their communities. Stability in visitation helps Oregon's communities build healthy tourism economies and local program implementation that are reflective of Oregon's values.

Tourism became 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 2003 recession, 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. Since 2003, tourism has continued to sustain Oregon's workforce, economic viability and livability for residents.

### **Travel Oregon Statewide Economic Impacts:**

Over the last 20 years, the return on the investments from statewide Transient Lodging Tax (TLTs) is clear:

- Visitor Spending in Oregon has more than *doubled*:  
\$6.5 billion in 2003; today, \$14 billion
- State and Local TLT tax revenues have more than *tripled*:  
\$200 million in 2003; today, \$650 million
- Demand has shifted:  
Visitors to Oregon spend an additional 2.7 million nights in hotels alone compared to 2008 figures—overnight visitors spend more than residents while visiting restaurants, shops, and recreation businesses
- Since 2003, we have seen consistent growth in spending, earnings, employment, and tax revenue annually:  
4% spending, 5% earnings, 1.6% employment, and 4.8% tax revenue that outpaces inflation.

Travel Oregon's leveraged Regional Cooperative Tourism Program (RCTP) partnerships created in 2003 between Travel Oregon and the RDMOs are numerous and span all seven tourism regions statewide. I'll share just a few project samples to showcase what the regional and local DMOs have been able to advance for Oregon because of this statewide collaboration:

- **Community Resiliency:** ODA is only too aware of the destruction Oregon communities face due to wildfire and we are proud of the way tourism contributes

to both wildfire prevention and recovery. Travel Lane County, Travel Oregon, and DMOs across the state invest their own tactical expertise and funding into responsible recreation messaging during the high visitation season, including fire prevention advice and encouragement. Economic development becomes more important after a community faces destruction from fire. In recent years, Travel Lane County has invested considerable resources in helping the McKenzie River Valley recover from the 2020 fires. Diversifying their recreation offerings by designating the Aufderheide as Oregon's first scenic bikeway in over a decade and supporting the development of new mountain bike trails in McKenzie River. Additionally, Travel Lane County has facilitated the signing of two additional Connect Lane segments. Connect Lane is a wayfinding project that aims to provide cyclists with amazing experiences while boosting the economies of our rural communities.

- **Sports:** Eugene is no stranger to benefitting from the positive community impacts of sports tourism, and is looking to evolve as Lane County builds out a sports facility that will support tourism development and serve a much-needed emergency shelter purpose for the community. Elsewhere in Oregon, there are outstanding examples of how communities have gained from tourism facilities focused on sports development. The most recent example is Medford, which has been operating an outdoor multi-use sports complex for more than a decade. Lithia Driveway Fields serves local youth and adult leagues while hosting year-round tournaments on the synthetic turf fields. The economic impact of this investment is easily seen in the commercial development adjacent to the complex. Medford leveraged this success to go back to the community with an ask to fund a state-of-the-art indoor multi-use sports facility. RogueX opened in 2024 and is welcoming local youth and adults for court sports like basketball and volleyball, while their aquatic center is providing opportunities for classes and competitions.
- In Central Oregon, transient lodging tax (TLT) funds were leveraged with local tourism resources, creating a Commercial Air Service Development and Marketing Fund. This led to the match necessary to apply for and secure a federal Small Community Air Service Development Program (SCASDP) grant, which expanded commercial air service. Expanded air service and flight connectivity have led to new business development throughout the region.
- The Portland region encompasses the cities of Portland and Gresham, the urban areas of Clackamas County, and the entirety of Washington and Columbia counties. Partnership investments have supported convention sales through Portland's Visitor Development Fund (VDF) and transformative local development projects, including the Women's National Basketball Association (WNBA), set to be a member of the Western Conference with play to begin in 2026; preservation of the Willamette Falls Locks; Salmonberry Trail trailhead improvements; facility improvements at the Mt. Hood Community College Aquatic Center and bicycle tourism infrastructure along the Banks-Vernonia Trail.

- In Southern Oregon, the Regional Cooperative Tourism Partnership investment provided for mountain bike trails and events, including the Mountain of the Rogue Trail System, and the Ashland Watershed Trail Alliance. In addition, Travel Oregon worked with local partners to host the Klamath Basin Rural Tourism Studios. This program resulted in the Klamath Basin landing page, bicycle maps, and tourism-related products. To address the need for shoulder-season visitor experiences, Travel Oregon is working in partnership with Discover Klamath to develop content and structure for a stakeholder workshop this spring.

There are countless programs and stories from all seven regions, as they have been galvanized by the state lodging tax investment to create sustainable marketing and product development 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.

If you want to know what the economic impact of diverting tourism funds away from marketing and destination development will do, just look to Colorado. According to a Longwoods International study, when Colorado eliminated its \$12 million marketing budget in 1993, it lost 30% of its domestic market share within two years. This equated to over \$1.4 billion annually in lost tourism revenue. HB 3556 would disrupt Oregon's TLT reinvestment model and could have devastating effects on the economy, similar to what happened in Colorado.

Tourism is not just about attracting visitors—it is a key investment in small businesses, local jobs, and the livability of our communities. **Your opposition to HB 3556** will allow Oregon and the local tourism destinations to remain viable as destinations and continue their important community work. Defeating HB 3556 allows DMOs to consistently plan for strategic investments to continue the important projects and partnerships vital to Oregon's employment and economic stability.

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

Sincerely,



Mackenzie Ballard  
Managing Director  
**Oregon Destination Association**