

City of Halfway
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House Committee on Emergency Management,

3/18/2025

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 Halfway 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, and EMS even though we are not linked to these entities, the funding would assist with them being able to proceed with their requirements with the use of the water and wastewater services provided) and community infrastructure (water, wastewater, transportation, parks, 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. Being able to use more of the funds in various places would assist with tourism here as it would help in the maintenance and repair of any issues in our infrastructure (being water lines, wastewater lines, and streets) instead of our city budget having to cover all of these as funding allows.

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

Respectfully,

Salli Allen
City Recorder/Manager
City of Halfway