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June 2, 2025

House Committee on Revenue

RE: Vote No on HB 3962, -2 Amendment, Flexible Use of Tourism Lodging Taxes

Dear Chair Nathanson and Members of the Committee,

On behalf of the Springfield Area Chamber of Commerce, we respectfully urge you to oppose HB 3962 and the -2 amendment.

This proposal to expand the allowable uses of Transient Lodging Tax (TLT) revenue raises serious concerns not only for the long-term health of our local economy, but also for the integrity of the legislative process. Room taxes were established as a dedicated funding mechanism to support tourism development, not as a general revenue stream for unrelated budget needs.

While the idea of added flexibility may seem appealing in the short term, this bill lacks meaningful guardrails. It would open the door for jurisdictions to permanently divert tourism dollars away from proven economic development strategies that generate future revenue. This sets a troubling precedent and undermines the original purpose of TLT collections.

More specifically, the bill undercuts ongoing efforts to build economic stability and drive growth by redirecting TLT revenue away from tourism facility development particularly during the critical winter and shoulder seasons when such investment is most needed.

We fully support the need for strong public services. However, using tourism-targeted funds to fill structural budget gaps is a shortsighted approach that jeopardizes one of our region's most productive and resilient economic sectors.

We urge you to protect the intent and impact of TLT funding. Please vote no on HB 3962 and the -2 amendment.

Sincerely,

N. M. Thelen

Vonnie Mikkelsen President and CEO, Springfield Area Chamber of Commerce