



Date: March 2, 2023

To: Chair and Members of the House Committee on Agriculture, Land Use, Natural Resources, and Water

From: Scott Bruun, OBI

RE: Opposition to HB 3159 / Lodging Tax increase

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Chair Helm, Committee:

I am Scott Bruun, director of tax, fiscal and manufacturing policy for Oregon Business & Industry. OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Respectfully, we are opposed to HB 3159.

HB 3159 would double the current transient lodging tax in Oregon. This would create an enormous financial challenge for lodging and hospitality operations in Oregon and would be especially onerous on small hospitality businesses. It would also create an additional burden on tourism in Oregon, which is an industry still trying to fully recover from the COVID pandemic fallout.

We also believe that the magnitude of the proposed tax changes, a 100% increase as called for in HB 3159, may be construed as punitive. In any event, it would certainly be harmful to the lodging and hospitality industry which is still endeavoring to regain solid financial footing.

We would note that the use of the new funds proposed by HB 3159, toward wildlife conservation, may very well be a beneficial policy concern for the state. Given that these conservation efforts may be of statewide value (and if the legislature decided it did want to proceed with additional funding), then we would encourage the legislature to look first at General Fund resources.

For these reasons, we respectfully request that you not pass HB 3159.

Thank you.

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