



February 4, 2026

House Committee on Revenue  
Oregon State Capitol  
900 Court Street NE, Room 169  
Salem, OR 97301

Re: House Bill 4134

Dear Chair Nathanson and Members of the Committee:

On behalf of the American Hotel & Lodging Association (AHLA), I respectfully urge you to oppose House Bill 4134, which would increase the state transient lodging tax from 1.5% to 2.75% - a staggering increase of almost 84%.

AHLA is the largest hotel association in America, representing more than 33,000 members from all segments of the industry nationwide – including iconic global brands, 80 percent of all franchised hotels and the top 10 largest hotel companies in the U.S. AHLA is the national voice of the hotel industry: the only membership organization that represents the entire industry, encompassing major chains, independent hotels, management companies, REITs, bed and breakfasts, industry partners, and more. AHLA's mission is to be an indispensable resource and advocate at all levels of government for a united, vibrant hotel sector.

We are proud to partner with state associations like the Oregon Restaurant & Lodging Association (ORLA) to support state and local efforts that promote and strengthen the hotel industry in the Beaver State. Oregon's hotel industry includes 1,036 hotels, employs 96,000 Oregonians, and pays a combined \$1 billion each year in state and local taxes.<sup>i</sup> Oregon's hotel and tourism industry is a major employer and economic driver across urban and rural communities alike.

Oregon's state transient lodging tax was not created as a general revenue source. It was intentionally structured by the Legislature as a tourism investment mechanism—where a tax paid by visitors is reinvested into programs that attract additional visitors, increase travel demand, and expand the state's tourism economy.<sup>ii</sup> This model has generated substantial visitor spending, supported jobs across the state, strengthened local businesses, and increased state and local tax collections that fund public services.

HB 4134 departs from that structure.

This proposal raises the state lodging tax from 1.5% to 2.75%—an **83.33% increase**—yet directs the new revenue away from tourism promotion and into programs that are not designed to grow visitation, extend stays, or increase tourism spending. The result is a significant tax increase on one sector with no direct return on investment for the tourism economy.

In effect, HB 4134 changes the purpose of a tourism tax without tying the new use to measurable tourism outcomes. This undermines the legislative framework that has governed the tax for decades and erodes the principle that visitor-generated revenue should be used to generate more visitors.

The bill also establishes a concerning precedent. Once a dedicated tourism tax can be redirected to unrelated purposes, future legislatures may do the same. That weakens confidence in earmarked revenue structures and destabilizes long-term planning for tourism marketing, event development, and destination competitiveness.

Singling out this sector for a nearly doubling of its state transient lodging tax—without a direct tourism purpose—creates long-term risk for an industry that helps support local economies throughout the state. HB 4134 directs new transient lodging tax revenue to programs that are outside the traditional scope of tourism promotion. If the Legislature determines those programs warrant additional funding, there are alternative fiscal tools available—such as general fund appropriations, dedicated levies, or bonding mechanisms—without repurposing a tax created for tourism growth.

For these reasons, we respectfully urge you to vote **no** on HB 4134.

If you have any questions, please do not hesitate to contact me at [mhalvorsen@ahla.com](mailto:mhalvorsen@ahla.com).

Sincerely,



Marilou Halvorsen  
Senior Vice President, State & Local Government Affairs  
American Hotel & Lodging Association

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<sup>i</sup> <https://economic-impact.ahla.com/reports/states/oregon.pdf>

<sup>ii</sup> <https://industry.traveloregon.com/about/about-oregons-transient-lodging-tax/>