

Written Testimony in Opposition to House Bill 4134

Chair, Vice-Chair, and Members of the Committee,

For the record, my name is **Lori Edwards-Olson**, and I am a small business owner in **Lane County, Oregon**. I am writing in strong opposition to **House Bill 4134**, which would impose an estimated **\$11 million increase in lodging taxes statewide** and raise the **Lane County transient lodging tax from 11.5% to 14.25%**.

As a business owner whose success is directly related to tourism, I am deeply concerned about the negative and far-reaching consequences of this bill. Oregon is already perceived as a high-cost destination. Increasing lodging taxes will only accelerate the trend of travelers choosing other states where vacations are more affordable and predictable in cost.

Lodging taxes do not exist in isolation. When room rates increase, visitor behavior changes. Travelers shorten their stays, reduce discretionary spending, or decide not to visit Oregon at all. This directly impacts not only hotels and short-term rentals, but also restaurants, retail shops, marinas, tour operators, event venues, and countless other small businesses that rely on visitor traffic.

In communities like those in Lane County, particularly in rural, coastal, and recreation-based areas, tourism is a primary economic driver. Seasonal businesses and workers depend on consistent visitation. An increase of this magnitude places disproportionate pressure on small, locally owned operations that are already struggling with inflation, rising labor costs, insurance increases, and ongoing workforce shortages.

While lodging taxes are often described as being paid by visitors, the reality is that **reduced demand results in reduced revenue**. Empty rooms generate no tax revenue, no wages, and no economic activity. Once Oregon develops a reputation as an overpriced destination, the damage to tourism can persist long after a tax increase is enacted.

HB 4134 also reflects a broader concern about fiscal responsibility. Small businesses are required to operate within their means and make difficult decisions when costs rise. Government should be held to the same standard. Repeatedly turning to targeted tax increases, particularly on industries still recovering from the impacts of COVID-19, is not a sustainable solution.

Oregon should be focused on strengthening its tourism economy, supporting small businesses, and remaining competitive with neighboring states. House Bill 4134 moves us in the opposite direction.

For these reasons, I respectfully urge the committee to **oppose HB 4134**.

Thank you for the opportunity to submit testimony and for your consideration.

Respectfully,

Lori Edwards-Olson

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Dunes City/Florence, Oregon