Submitter: George Schweitzer

On Behalf Of: The Hospitality Industry

Committee: House Committee On Revenue

Measure, Appointment or Topic: HB4134

Dear Honorable Revenue Committee Members,

I work for West Coast Hospitality, LLC. We manage 4 hotels in Oregon including The Benson in downtown Portland, The Holman in Salem, The Independence in Independence, and The Dundee Hotel in Dundee, OR.

Please oppose any legislative proposal that will increase Oregon's statewide transient lodging tax during the upcoming legislative session, for the following reasons:

1. Last session's proposed bill would have increased the state's transient lodging tax (TLT) from 1.5% to 2.75%—a 1.25% increase that would nearly double the current statewide rate (nearly 50% of which would be paid by Oregonians traveling within the state). Rather than the increase being used 100% for economic development in support of existing tourism assets as has been precedent for decades, the increase was earmarked for wildlife recovery and conservation – nothing to do with bringing visitors to Oregon.
2. State and local lodging taxes are designed to be an economic development tool to drive tourism and help our economy. They should only be raised only for projects related to tourism, that will allow more visitors to spend time and money within our state.
3. While 1.25% may appear modest, this increase would be layered on top of existing state, city, county, and tourism improvement district taxes and fees. We currently have both a state lodging tax at 1.5% and municipal taxes, which vary with some hotels in cities that add 9-16% in taxes to your bill.
4. In Portland, this would push the total lodging tax burden from approximately 16% to 17.25%, placing Portland second only to Seattle (18%) among major western U.S. cities. At those levels, Portland becomes significantly less competitive for large conventions, conferences, and major events. Event planners and conference organizers are highly price sensitive. Faced with paying thousands—or even tens of thousands—of dollars more to bring business to Portland compared to cities such as San Francisco, Denver, Salt Lake City, or Austin, many will simply choose other destinations. When those events go elsewhere, the impact is felt most directly by hospitality workers.
5. Portland has still not recovered from the pandemic. City of Portland economists report that Multnomah County has lost nearly 20,000 jobs since June 2023 and remains down roughly 40,000 jobs compared to pre-pandemic levels. Hospitality and tourism have been among the hardest-hit sectors, with employment still

approximately 13% below 2019 levels. Recent economic forecasts also suggest that Portland's return to pre-pandemic visitor volumes has been pushed from 2026 to 2028 or later.

6. Before lawmakers change the existing ratios, more information is needed on what percentage cities and counties are already receiving and spending. We know there is more than $220 million generated from local lodging taxes annually in Oregon's 120 jurisdictions. We need more transparency from local governments on how these dollars are coming in and where they are spent to ensure communities are seeing a bang for their buck in drawing tourism to our towns.

7. Diverting lodging taxes away from economic development investments in tourism is a misuse of funds and detrimental to the state economy at a time when Gov. Kotek says making Oregon more business friendly is a top priority. And pushing the state lodging tax too high will have the opposite effect on revenue coming in, as people get priced out and decide to go somewhere cheaper or refrain from travel.

8. I encourage a shift toward thoughtful tax policy that supports long-term economic development, rather than short-term gains at the expense of an industry that benefits all our residents. We need to strengthen the lodging industry rather than burden it, ensuring we can continue contributing to vibrant, thriving communities throughout our state!

Thank you.

Sincerely,

George Schweitzer

Sisters, OR