

Submitter:

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On Behalf Of:

Committee:

House Committee On Revenue

Measure, Appointment or Topic:

HB4134

As the owner of a 60-unit hotel, I am testifying in strong opposition to HB 4134. While those in other sectors may support this bill because it doesn't touch their wallets, for a small hotelier, this is a matter of survival.

**The Psychological Price Barrier** In the hospitality industry, there is a massive psychological difference between a room that costs \$99 and one that costs \$100. We see it every day: a guest is willing to pay a \$90 base rate plus tax, but as soon as that total hits triple digits, they back out. By increasing the state tax, you are forcing our total prices over that edge. To keep our rooms affordable and maintain occupancy, we are forced to lower our base rates. We are the ones eating the cost of your tax increase, and we are doing so on margins that are already razor-thin.

**The Cost of Doing Business** To run a 60-unit property with a modest breakfast offering, I have to generate at least \$60,000 in revenue every month just to break even. That \$60,000 doesn't include a penny for renovations, major maintenance, or equipment replacement; it barely covers labor, utilities, and the skyrocketing cost of insurance. If this tax increase drives our revenue down even by a small percentage, small businesses like mine will be forced to close.

**The Vancouver Comparison** Portland's hospitality industry is already at a massive disadvantage. In Portland, when you combine city, county, and state taxes with the Tourism Improvement District fee, the effective tax rate is roughly 16%.

Directly across the river, Vancouver has transformed its waterfront into a premier destination.

Their tax rate is significantly lower—roughly 10.5% plus a small flat fee.

Why would a traveler choose to stay in Portland, where they pay more in taxes and deal with the city's unresolved issues with homelessness and cleanliness, when they can drive 10 minutes across the bridge for a cleaner environment and a cheaper bill?

**The Fairness Gap** Portland is the only major city in the region that has not fully recovered its 2019 revenue levels post-COVID. We should be focusing on bringing tourism back, not finding new ways to tax the few visitors we still have. If wildlife conservation is a priority for all Oregonians, then the tax should be uniform across all sectors. Ask every industry to pay their fair share, and then see how much "public

support" this bill actually has. Singling out the hotel industry—which is already struggling to keep its doors open—is not a policy; it's an extraction.