

Submitter:

Prashant Patel

On Behalf Of:

Committee:

House Committee On Revenue

Measure, Appointment or Topic:

HB4148

I am writing to formally express my strong opposition to HB 4148. As a business owner of Gresham/ Multnomah county, I am deeply concerned that this bill undermines the stability of Oregon's tourism economy by radically altering the established allocation of transient lodging tax (TLT) revenues.

HB 4148 proposes to change the current 70/30 split—which requires 70% of new or increased lodging taxes to be spent on tourism promotion and facilities—to a 40/60 split. While I understand the desire for local governments to have more "flexibility," this shift would effectively treat visitors as a "piggy bank" for general city and county services that should be funded by the broader tax base.

My primary objections to HB 4148 are as follows:

Breach of Industry Agreement: The current 70/30 split was a hard-fought compromise that ensured the hospitality industry, which self-imposes these taxes, saw a direct reinvestment in the economic development that sustains their businesses.

Economic Risk: Reducing dedicated funding for tourism promotion by nearly half (from 70% to 40%) will inevitably lead to a decline in visitors, impacting local restaurants, small shops, and lodging providers that rely on a robust tourism pipeline.

Unfair Burden on Visitors: Travelers already pay significant taxes to support the infrastructure they use. Diverting up to 60% of these funds to general services without a clear nexus to tourism is an inequitable use of industry-specific revenue.