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HB 4134 – Testimony to the House Committee on Revenue

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the House Committee on Revenue,

My name is Jake Stein, and I am the General Manager of the Hilton Garden Inn Corvallis. I appreciate the opportunity to convey my opposition to HB 4134.

At Hilton Garden Inn Corvallis, we are keenly aware of the impacts that increased tourism can have on local communities, particularly with respect to public lands and shared resources. We believe that responsible and well-managed tourism requires collaboration with community partners and local stakeholders. At the same time, tourism plays a critical role in supporting jobs and contributing to the economic vitality of communities throughout our state. I am honored to represent the tourism industry and to work in partnership with the community to promote a balanced and sustainable local economy.

Increasing the state Transient Lodging Tax would harm Oregon's tourism economy, local businesses, workers, and communities.

As the manager of an organization that relies heavily on tourism activity, I see firsthand how tourism dollars circulate through local businesses, nonprofits, and services.

Tourism is one of Oregon's largest economic drivers, supporting jobs in both urban and rural communities across the state, including regions with limited alternative industries. For Oregon, tourism funding is not about promotion for its own sake; it is an investment in economic resilience, workforce stability, and the long-term vitality of communities statewide.

In 2003, the State of Oregon made a deliberate and forward-looking decision to invest in tourism through the creation of a dedicated, sustainable funding structure. That policy established Travel Oregon, implemented a statewide lodging tax, and ensured that local tourism investments would be protected and reinvested in the communities that generate them. This long-term, strategic approach has positioned Oregon to remain competitive in both national and international tourism markets, delivering lasting economic benefits to communities across the state.

Today's travelers are increasingly price-sensitive, and even modest increases in lodging costs can influence where and how often they travel. The proposed increase in the Transient Lodging Tax would raise Corvallis's total lodging tax rate from 13.5% to 14.75%. At the close of calendar year 2025, lodging occupancy stood at 49.8%, meaning nearly half of available rooms went unfilled over the year. In this context, a higher lodging tax represents an additional struggle for tourism demand in our community.

Cost is also a critical factor for meeting and event planners when selecting destinations. Attendees must account for both room rates and the full lodging tax, and for most visitors, particularly those traveling from east of the Mississippi River, airfare already makes Oregon a higher-cost destination compared to eastern alternatives. This is especially relevant for large events hosted in our surrounding area that rely on lodging capacity in Corvallis, where price sensitivity can directly affect booking decisions.

Increasing lodging taxes further risks making Oregon less competitive with neighboring states. It is also important to recognize that this tax does not fall solely on out-of-state visitors; many travelers are Oregonians themselves. According to Travel Oregon's 2022 Visitor Research study, 41% of travelers within the state are Oregon residents. Higher lodging costs therefore affect local families, regional travelers, and repeat visitors alike.

Taken together, higher lodging taxes can discourage longer stays, reduce repeat visitation, and weaken demand at a time when occupancy levels already indicate available capacity. For these reasons, careful consideration should be given to how this increase may impact the competitiveness and sustainability of our local tourism economy.

Accountability and consistency are essential when considering any changes to the Transient Lodging Tax. Any adjustment should be part of a clear and defensible statewide strategy, with transparent criteria for which groups receive direct access to funding—rather than arbitrarily prioritizing some sectors over others, such as arts and culture, trails, or beverage programs. Moving away from a well-defined, targeted tax toward a broader, less-defined structure risks diluting its effectiveness and undermining its original purpose. It is equally important to respect tourism's role as an economic development tool and to maintain predictability so that businesses and communities can plan with confidence for the long term.

Tourism already delivers substantial economic value to Benton County, generating \$163.5 million in visitor spending, supporting approximately 1,950 local jobs, and welcoming more than 750,000 visitors each year. These outcomes reflect a delicate balance between affordability and demand. Increasing the transient lodging tax risks disrupting that balance by raising costs for visitors at a time when travelers are increasingly price-sensitive. Even small increases can influence travel decisions, reduce visitation, and ultimately weaken the economic activity that sustains local jobs and small businesses. For these reasons, raising the transient lodging tax poses a real risk to an economic engine that currently provides meaningful and measurable benefits to our community.

In closing, Oregon's tourism economy is a carefully balanced and proven driver of growth, supporting local jobs, small businesses, and the vitality of communities across the state. The proposed increase to the Transient Lodging Tax risks disrupting that balance by raising costs for visitors at a time when affordability directly shapes travel decisions, repeat visitation, and event bookings. Maintaining the current lodging tax structure ensures that tourism continues to generate measurable economic benefits, sustain local workers, and strengthen communities statewide. For these reasons, I respectfully urge the committee to oppose HB 4134 and preserve policies that promote a strong, competitive, and resilient tourism economy. Thank you for your leadership and for the support you provide to Oregon communities.

Sincerely,

A handwritten signature in black ink that reads "Jake Stein". The signature is written in a cursive, flowing style.

Jake Stein
General Manager
Hilton Garden Inn Corvallis