

Submitter: Allen Pike
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB4134

I've listened to a lot of the arguments for this bill, and they seem to mainly focus on the how the money will be spent. It's hard to argue against that. This bill, if passed, would fund a worthy cause. That said, there are a lot of other worthy causes. Is this more worthy than infrastructure? Is it more worthy than public safety? Is it more worthy than helping to find a solution to our housing crisis? This feels like it is just the first of many items that could look to this potential revenue stream.

Hotel occupancy taxes are an easy target, because people can make the argument that they are paid by "others" - folks who aren't from around here. Beyond that being silly (since so many of us Oregonians travel within the state for business and vacations) it is also short sighted. The amount of money that out of state travelers bring in is not limited to hotels and restaurants. It also goes to gas stations (money goes into the transportation fund through gas taxes), hunting and fishing licenses (fees which go to support ODFW), retail shops, etc. Using the occupancy tax to promote and increase tourism leads to an increase in those revenue streams. People have choices on where they travel to, and higher taxes lead to increased overall costs and have a predictably negative impact on occupancy. The only way to combat that is to spend MORE money on advertising and destination development to try to offset that decrease in occupancy.

When so many people are struggling within the economy, doing something that decreases tourism will lead to less jobs. With fewer guests in rooms, there are less hours for housekeepers. There are also less hours available for servers in those restaurants that guest would have eaten at. Retail shops could see a decrease in business as well, leading them to reducing hours. Less hours means less take home pay and more people struggling in an already difficult economy.

There are other funding mechanisms for worthy causes. The ODFW could increase fees for non-residents, especially for limited or high demand tags. That would produce a steady revenue stream that directly ties to what it is used for. It could also PARTNER with tourism promoters to increase destination enhancements and demand for those tags, further increase the value. While many people might not want to see an increase in resident tag fees... that would even be a more appropriate revenue stream than what this bill proposes.

We should all expect, if this bill passes, to see a decrease in occupancy throughout the state. There will be some areas, such as Portland and Eugene hit harder than others. They compete with other cities across the nation for major events, and even

a small change in tax rate can make a large impact on the cost of events. Some areas will be less impacted, but there should be an expectation that all areas of the state will see some negative impact.

A vote for this bill is a vote that will result in fewer jobs for Oregonians. There has to be a better way.