



Re: Opposition to HB 4148 – Local Transient Lodging Tax Allocation Changes

Chair Nathanson, Vice Chairs Reschke & Walters, and Members of the Committee,

My name is Terry Hopkins, and I serve as President & CEO of the Grants Pass & Josephine County Chamber of Commerce, representing more than 600 businesses across Southern Oregon. I submit this testimony in strong opposition to House Bill 4148.

Southern Oregon did not arrive at a tourism-based economy by accident. For generations, our region relied heavily on logging and timber products as its primary economic driver. When that industry collapsed, communities across Southern Oregon were forced to reinvent themselves. That reinvention took decades. Businesses changed models, families adapted, and local leaders intentionally invested in a business culture and economic climate built around tourism, hospitality, and outdoor recreation.

Tourism is now foundational to our regional economy. We do not have the diversified tax base or large institutional employers found in urban areas. Visitor spending supports local lodging operators, restaurants, retailers, outfitters, and seasonal workers, while generating critical tax revenue without increasing the burden on residents. The current 70/30 structure exists for a reason: tourism promotion is the engine that generates the revenue in the first place.

HB 4148 undermines that reality. Reducing tourism promotion reduces visitor demand. Reduced demand lowers lodging occupancy and tax collections. Over time, there is less revenue available for tourism *and* local services. This is not theoretical. The Legislature has repeatedly considered similar efforts to redirect lodging tax dollars, and those proposals have failed over and over again—because they weaken the very economic engine they depend on.

For communities that have already borne the cost of economic transition, stripping away the marketing engine that supports tourism-based businesses and the families they employ is unfair and unreasonable. These businesses made long-term decisions based on a stable policy framework. HB 4148 changes the rules after the investment has been made.

Oregon's lodging tax system has worked because it follows a simple, proven principle: visitors should help fund the systems that attract visitors. HB 4148 abandons that principle in favor of short-term budget flexibility that will ultimately reduce economic activity—particularly in rural Oregon.

For these reasons, and on behalf of the businesses we represent across Southern Oregon, we **strongly urge the House Committee on Revenue to reject HB 4148.**

Respectfully submitted,

Terry Hopkins

President & CEO

Grants Pass & Josephine County Chamber of Commerce