



The Inn at the Gorge
1113 Eugene Street
Hood River OR 97031

Thursday February 5, 2026

House Committee on Revenue
900 Court St NE, Rm. 160
Salem, OR, 97301

Regarding HB 4148, 4134

Honorable Representatives Nancy Nathanson, E. Werner Reschke, Jules Walters, Zach Hudson, Bobby Levy, Pam Marsh, Gregory Smith

I am writing you in opposition to the 4134. For nearly a decade I have I owned and operated a Bed and Breakfast in Hood River Oregon. Working in lodging is no picnic, and Operating a bed and breakfast isn't the Gilmore Girls. We work hard and are dedicated to supporting our guests, teams, and our communities. Our industry provides employment, as well as meaningful opportunities for learning and growth for all Oregonians. The employment travel and lodging provide and economic activity created directly and indirectly are especially resilient to forecasted trends in de-employment due to trends in technology including AI.

Our industry role-models service and care both for those in our communities and those contributing by visiting for recreation, learning, business travel, *and* those who come to contribute thier sweat and spirit by becoming Oregonians. In independent lodging we say- 'we don't hire, we adopt'. This adage most obviously applies to very small lodging - after all the scale of a B&B is not too different from the scale of a household or family economy- but I believe is actually applicable to lodging of all scales. Why?

When people join our teams they join a team that is actually accountable in real time for meeting guest needs 24/7/365. It takes a strong sense of teamwork and collaboration to do this - and the challenge nurtures true accountability to each other, to our guests, and, in order to be sustainable, to the bottom line. Everyone who works in lodging knows that the entire team must be willing to contribute - sometimes by coming in early, staying late, covering for teammates or working outside of normal work hours. Accountability and teamwork naturally flourishes in this environment. Lodging stretches us to expand our sense of our needs, to include the needs of our team and our guests. Managing these needs at all times encourages us to recognize how interdependent we all are. It is for this reason that I believe the adage that, in lodging, regardless of the scale, we don't hire we adopt is true. HB 4134 suggests a different type of accountability that seems a poor substitute for the accountability we practice in our industry in relation to our teams, our guests and our communities.

During the hearing the committee itself recognized that HB 4134 is already opposed to the spirit of the promises made by Oregon's lawmakers that paved the way for the TLT - to dedicate a set share of the revenues to the promotion of travel. That the committee is even considering failing to honor this previous commitment is *in itself* concerning. This creates a credibility problem for those supporting this breach of trust. It is even more concerning that this willingness to potentially not honor previous agreements was openly acknowledged at the hearing at all. Will Oregon lawmaker next telegraph that Oregon chooses to default on it's future financial obligations as well; that it is considering these obligations optional? Are you considering, for example, to let teachers go on teaching this next period, and then tell them later you've chosen to withhold their pay? Backsliding in this way is not acceptable in our Industry. I suspect most Oregonians also would find it unacceptable, and I'm surprised the committee is considering renegeing on it's commitment for a set portion of the TLT to be used for promotion of travel.

A government should not expect to maintain it's credibility when it takes actions that requires it's members to say things like, "This body does not honor prior agreements". That statement should have been considered before this bill was brought to public hearing and the credibility of the committee threatened. Fortunately trust is not digital, and trust *can* be healed after being damaged - but only if the breach is recognized and sincere efforts are made to avoid further reckless actions that may damage trust beyond restoration. To be sure, it's easier to manage trust with care than to heal it once damaged so please move forward with additional care. Have faith that Oregonians will respect political leaders that continue to search for funding solutions that role-model accountability and integrity; please keep faith that an honorable solution will emerge. Moving forward, please *do* take better care of Oregonians' credibility and the credibility of our government.

Cumulative and Incremental increases in food, energy, labor and other costs impacting travel and lodging: decrease in actual value of receipts due to inflation and other factors:

Suggesting lodging currently pays a low tax seems insincere and is untrue. Lodging operators are already subject to all other taxes paid by other business and Oregonians. *Additionally* they are subject to local lodging taxes. Currently the Inn at the Gorge pays ALL TAXES PAID BY ANY BUSINESS plus 9.5% TLT and TRT. Thank you state and local lawmakers for bestowing on a singular industry so much exceptional attention. At this time, we in lodging, who tend to be a generous bunch, would like to make sure everyone is getting thier fair share of your consideration and esteem. We are becoming concerned that other industries may already feel neglected - and if they don't yet already, that further special attention paid to lodging may inspire jealousy. Please make sure to notice and proportionately appreciate all your humble subjects. Lodging is honored to be your historically favorite revenue cash cow - but the extra attention is growing uncomfortable.

In lodging we market our services to guests for a clear costs. We make commitments in terms of reservations at a set price sometimes years in advance and we always honor those commitments. We believe this is the right thing to do in every case. Even when the reservation was made years in advance, and the cost of providing those services has gone up since the time of the reservation. We also have a commitment to honor those reservations at the booked price even when, as has often been the case recently, inflation has reduced the value of the payments we ultimately receive. Lodging is experiencing both types of challenges at this time. Is a 1.5% increase in tax meaningful. Yes, especially when compounded with an ongoing steak of simiar cost increases from similar factors over the past several year.

By raising taxes at this time, political leadership ignores the economic reality of real Oregonians and Oregon business ACTUALLY INVESTED in our communities. Oregonians are facing increased costs, an increasingly uncertain economic future and relying on local and state governments to be curious about the challenges they face. Instead, our governments seem to be slow to notice those that constitute their tax basis have already been tightening their belts already for a WHILE and expect to do so for some time to come. A reevaluation of this ever-growing spending without regard to the economic welfare of those who fund it is urgently needed.

prosperity

Oregon's political leadership has been dependent on business and Oregonians to provide ever growing taxes for years. Oregon's business and Oregonians are enabling unrealistic spending and enabling unaccountability. This measure not only increase costs to an industry already taxed more than any other (with the exception of Canalis) but also undermines travel and lodgings marketing. This is a double whammy that in-time will undermine this misguided approach to build revenues and your partners in lodging and travel. By a similarly misguided 'reasoning' those organizations that stand to benefit by receiving funds diverted from travel promotion seem to making a very bizarre argument. *They assert that the investment made to promote travel has worked and promoted economic prosperity in Oregon for a variety of industries. They then make the bizarre conclusion that, therefore, we should de-investment in that winning strategy in the future. Please do not derail a strategy that is working for Travel and Oregonians BECAUSE it is working.* Those offering this strange argument should expect push-back not only from those in travel, but also from the House and Senate who was party to the promise to invest these funds in travel, and who if are accountable for the results. Especially if they are interested in safeguarding the funding source by not undermining it's future success.

Please tune in to the economic reality in Oregon. Use care not to be misguided by gauges like the stock market and assume Oregon's business are thriving. The stock market is a very abstract gauge that fails to account for the economic reality on the ground in any one place, for any particular industry, and for Oregonians. It also has demonstrated time and time again that it is NOT a reliable gauge for measuring value in terms of actual goods and services created. Stock markets may give the impression of ever increasing prosperity even when little actual goods or services are being generated. These bubbles (.com, sub-prime mortgage) have occurred historically and may now be part of what is driving the current surge in the stock market; like crypto and AI. Travel and lodging are undeniably a proven asset and form the basis of a proven economic vitality.

Raising taxes on real world business that are already under enormous economic pressure may prove to be short sighted and risks being seen as tone deaf.

Lodging providers are tired of being treated with open contempt by lawmakers. We are proud to be a strong part of the foundation of economic activity and providing actual goods and services that helps Oregonians succeed. Lodging not only provides important services for those staying away from home, but also bolsters many other industries like food and beverage, the arts, and business recreation. Lodging and these business not only pay their share of taxes, but provide employment accessible by virtually anyone regardless of their level of education or experience. With or without post-secondary education, virtually any Oregonian willing to work can find meaningful employment in lodging. Likewise, travel and lodging jobs are accessible to those with limited work experience, limited education or who have faced challenges or hardships.

Lodging in travel jobs lead to life long careers with opportunity for growth and learning, as well as provide entry level opportunities for those entering the workforce. They also provide opportunities for those legions of Oregonians in recovery and striving to be well. We already provide a service that offers value beyond making a buck and lodging don't need the state to divert revenue from supporting our industry to generate good will. No doubt many of the entities requesting a portion of the funds generated by the TLT - and already promised to support travel - would indeed benefit from increased *funding*. *Many groups have made a strong case that their causes would benefit from more funding, but none have provided convincing testimony for why, of all industries, lodging should be uniquely singled out to bear a disproportionate portion of this expense.* Political leadership should be prepared to justify not only that additional funding is needed, but why one industry is singled out as a perennial target for uniquely higher taxes.

At the Inn at the Gorge, I'm proud to have been able to provide employment to dozens of young people participating in our economy for the first time as producer, contributors, and generators. Those working in lodging learn valuable skills that will serve us all well into the future. In lodging we serve others. Regardless of a guests current mood, disposition or level of stress, travel and lodging culture encourages understanding, compassion, and service towards our clients, our partners, our team and our community. Lodging culture also provides incredibly rich opportunities to build skills in communication, collaboration and team work - perhaps more than any other industry. In Lodging, at least at The Inn at the Gorge we view our team as including not only our regular players, but also our visiting guest players as well. Those who work on our team learn to view teamwork and success as working with our guests to ensure everyone's needs are met, and provides the best possible value. It is an industry in which the PRIMARY goal is providing care for others who are far away from home. Nevertheless, we must not be overly idealistic. We cannot hope to continue providing this service if we don't manage our bottom line - in which case there would be no beneficial jobs to provide, no lodging to offer, no opportunities to build skills and practice being of service - and also no revenue for Salem to tax - or offer insincere promises of how to spend.

State lawmakers seem to view increasing additional lodging taxes- and reducing portions dedicated to supporting lodging marketing- as politically expedient. Why? Lawmakers seem to believe that increasing TLT generates tax revenue without Oregonians footing the bill. This argument fails to hold water on many different levels.

Even in it's most overly simplified form, this argument is neither valid nor sound. The first problem is it relies on the hidden premise that only non-Oregonians stay in Oregon's lodging. At the Inn at the Gorge, the percent of TLT and TRT paid by Oregonians has historically been between 25-35%. The trend is shifting towards more Oregonians paying this tax each year. Many suggest this is true as global travel shifts away from the US in response to a perception that the US does NOT welcome or value the contributions of our international neighbors. This is an especially poor time to propose measure 4134; globally, perceptions are on the rise that the US is an unfriendly place for outsiders, and does not welcome or recognize contributions and contributors from elsewhere. Now is a bad time for an additional travel tariff, and to simultaneously cut back on the very instrument that communicates the rest of the US and the world that Oregon is a good place to visit, work and live. Living in Oregon, we are surrounded by natural beauty and warm welcoming people that value Oregon itself, as well as locals and visitors. It might be easy to take for granted that the whole world already knows this too. In reality they only know this to the extent we continue to communicate this via promoting travel. Don't undercut the funding that's been promised and is working well.

Concerns about manner in which testimony was heard for hearing on HB 4134

Thank you for your service to Oregon in the Oregon House and on the revenue committee. I am writing to express concerns related to house bill 4134 - as well as concerns relating to the process for prioritizing oral testimony heard at the hearing held on Wednesday Feb 4 2026, beginning at 3:00 PM and ending at 5:26PM. I was present remotely from just before the hearing commenced until it was officially adjourned and remote video feed was terminated. On Feb 2, 2026 I registered online to provide oral testimony at this hearing- approximately 48 hours prior to the hearing, as far as I was aware, very early within the registration window. I received a confirmation pop-up window that my registration was received and that I would be receiving a link to testify 'shortly' I did not receive such a link until calling back on the day of the hearing. This was not a good start to building trust in the legislative process - and unfortunately things only got worse as the hearing commenced.

At the time of registration I was not aware that the committee would choose to prioritize which testimony would be heard based on constituents capacity and ability to travel to Salem in person. I acknowledge the reason given for prioritizing testimony according to this criteria was, in essence, to honor the commitment of those who invested time, energy and expense in order to travel to Salem. While I also applaud those who made this particular *type of effort -or who were able to-* that there are other reasonable criteria for choosing which testimony would be heard is undeniable. It is not, therefore, self-evident that constituents with the time, and capacity to travel have testimony more worthy of your consideration. And yes, written testimony can also be provided, however, it is no secret that written testimony is often unread or otherwise given marginal regard.

By the nature of our trade, many of us who serve in lodging and travel are tied to a physical location and have accountability to those on our teams, and those who we serve - often for long periods of time - and sometimes relentlessly. It is probably not useful to compare whether this is true to those in lodging compared to the proposed beneficiaries who were able to be in attendance on one particular day, and at one particular time, or in comparison to those with capacity to serve in Oregon's government. Suffice to say, there are many ways to contribute and no type of contributors can be ratified as more worthy of being heard by virtue of a last-minute announcement that ostensibly values one species of dedication or contribution - not even if announced by a state representative.

I'm curious, as it was part of the information required to register to testify, what proportion of those registered and yet waiting to be heard at the conclusion of the hearing were in favor, opposed and neutral? How many who's voice wasn't heard, but registered to testify were opposed? It should be recognized that the this method for sorting winners and losers, and the time period allowed for each testimony, and for total testimony may have been used to publicize a biased sample of public sentiment.

Our dedication to our work, our teams and our communities, including our governments and supporting their revenues, should not impact our ability to provide oral testimony - neither should it be misconstrued as being unconcerned with these matters or unmotivated. Time and other resources required to travel to Salem may not be equally abundant amongst your constituents and I therefore suggest not a pertinent or appropriate manner to choose who is heard and who is not.

Another approach would be to hear all testimony so that all constituents' voices could be heard. If testimony was to be sorted based on an arbitrary criteria - like geographic location at particular date and time - prior notice to all potentially interested parties could have been provided. This would avoid the specter that favor was given to those willing or able to rub elbows with those who serve Oregon through representative service.

Further, sorting testimony into groups of three with supporting and opposing groups alternating until an arbitrary time limit was reached - or as it happened *not* reached - may tend to create a biased impression of the relative scale of support and opposition. It's hard to say without more information if this occurred in reality, as it's hard to know what the remainder of those waiting to testify would have said. Were those still waiting to testify in equal numbers, or were more of those left unheard in favor, opposed or neutral? That this was not even discussed or addressed gives an unsettling impression and creates additional concerns to the integrity of the process.

Please be vigilant to avoid rationalizing arbitrary ways and means to inadvertently create bias in which viewpoints are publicized, and to avoid damaging Oregonian's credibility.

Thank you for your service to Oregonians and continued efforts to manage Oregon's funding needs and wants while maintaining Oregon's integrity and demonstrating thoughtful and sound economic prefaces. Oregonians and Oregon lodging are expect to do so everyday, and we expect our political leadership to do so as well.

Sincerely and earnestly,

Michael Sprague
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