

February 6, 2026  
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Re: HB 4148 testimony

Dear Chair Nathanson, Vice Chairs Reschke and Walters:

My name is Jeff Knapp, and I serve as CEO of Visit Bend. Thank you for your work on HB 4148. Visit Bend is a non-membership, nonprofit organization that works in close partnership with our city, local businesses, and community, and we are keenly aware of the fiscal pressures facing governments under Oregon's current tax structure. While we appreciate the broader conversation around how transient lodging tax revenues are allocated, we are concerned that HB 4148 expands the allowable uses of restricted funds in ways that threaten their original intent and undermine the long-term economic sustainability of the tourism industry. For that reason, we are submitting neutral testimony on HB 4148, with a critical caveat: the existing rules governing restricted transient lodging tax funds should remain intact and unedited, and the bill should be amended to include stronger guidelines that remove vague language around special districts and other avenues to unintended loopholes.

In Bend alone, lodging taxes have generated more than \$70 million over the past decade to support core city services such as police, fire, and roads. Visit Bend's 35.4 percent share of collections—a ratio established to add a gear to the city's economic engine—drives a measurable 335 percent return in unrestricted revenue for the city's general fund. In reality, the returns are far greater. When you layer on the commercial property taxes paid by our lodging partners, visitors aren't just paying their fair share but also actively subsidizing the lifestyle and infrastructure of every Bend resident. On a per-capita basis, our analysis shows a single visitor's daily tax contribution is nearly 2.5 times higher than that of a resident. The average Bend household pays roughly \$3,900 in annual property taxes. A single hotel room generates that same amount for the City in fewer than 100 nights, all with a smaller impact on core services and zero burden on the local school system. The community increasingly recognizes these direct benefits. A 2025 OSU study shows resident sentiment toward tourism has shifted favorably by 13 percentage points over four years.

We understand why communities newer to the transient lodging tax framework may seek changes to how those dollars are allocated. However, HB 4148's expansion of allowable uses—particularly, language permitting special districts to provide services "in lieu of" direct city action—creates a double-dip risk that undermines the core intent of the lodging tax and weakens a system that is demonstrably creating jobs and raising wages.

There is a persistent assumption that “people will come to Bend anyway.” In a competitive global travel market, that assumption does not hold. Even modest declines matter: A two percent reduction in visitation would result in an estimated \$7.7 million annual loss in direct visitor spending. That loss would ripple through Bend’s economy. It would reduce the reinvestments we make through grants that now total in the millions to help community organizations; it would weaken partnerships that expand access for people with disabilities, advance environmental stewardship, and serve underrepresented communities; and it would undermine proven, popular programs that support trails, river access, and arts and culture events that residents value and that drive overnight stays during slower months. Ultimately, diminished visitation reduces tourism’s contribution to the city’s general fund and shifts more of the financial burden onto residents.

The problems posed by HB 4148 are not theoretical. In seeking to redirect even a few hundred thousand dollars, the bill risks a multi-million-dollar contraction in the overall tax base. Case studies from destinations that have repurposed restricted lodging tax funds show consistent outcomes: erosion of competitive advantage, avoidable harm to local businesses, and stalled investments that support the very qualities that make communities desirable places to live and work.

Oregon’s tax code faces serious, systemic challenges. Repeatedly turning to what is effectively the state’s closest proxy to a sales tax risks creating long-term consequences that disproportionately burden an industry that contributes significantly to public revenues and generates undeniable perks for residents. Addressing these challenges will require bold leadership and structural solutions. We cannot tourism our way out of this problem.

Thank you for your time and for considering the serious implications this bill would have for Bend and communities across Oregon.

Respectfully submitted,



Jeff Knapp  
CEO, Visit Bend