



Testimony in Opposition to HB 4134

Katie Kadlub, CEO

Visit Hood River

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Dear Chair Broadman, Vice Chair McLane and Members of the Committee:

I respectfully submit testimony in strong opposition to HB 4134.

Our opposition is not only about what this bill funds. It is about how it proposes to fund it. Oregon's statewide Transient Lodging Tax was created as a self-assessed reinvestment tool to grow tourism. HB 4134 nearly doubles the statewide lodging tax and diverts those dollars from their intended purpose. This is not reinvestment; it is redirection, and it sets a troubling precedent for Oregon tax policy.

The tourism industry was not included in the development of this proposal, and HB 4134 shifts the burden for unrelated programs onto residents and visitors who already contribute significantly to Oregon's economy. For the first time, lodging tax revenue would be diverted to five unrelated agencies and initiatives: the Oregon Department of Fish and Wildlife, the Oregon Department of Justice, the Oregon Department of Agriculture, the Oregon State Police, and the Oregon Conservation Fund. This contradicts the purpose of the statewide lodging tax and represents poor tax policy.

Supporters of HB 4134 describe the increase as a negligible 1.25 percent tax that tourists will not notice. This is incorrect. The increase would cost Oregon's tourism and hospitality sector an estimated 38 million dollars per year, affecting hotels, restaurants, gas stations, retail businesses, and local economies tied to visitor spending. This is not a clean passthrough tax. When a guest paying cash cannot cover the increased total, the lodging operator pays the tax. When a contractor's fixed per diem falls below the nightly rate with taxes, the operator pays the tax. These are real costs for real businesses.

Tourism supports nearly 200,000 Oregon jobs. With economic conditions still challenging, Oregon cannot afford policies that reduce competitiveness in markets where travelers, sports teams, families, and event planners compare costs line by line. Communities like Salem and Lane County rely on cost stability to secure youth sports tournaments, regional events, and long-term partnerships such as IRONMAN, which generates approximately 11 million dollars in economic impact and around 7,000 hotel room nights each year. Even modest lodging cost increases can reduce weekend occupancy, limit event recruitment, and lower local lodging tax revenue.



Portland's recovery data underscores the fragility of the tourism sector. Tourism spending remains more than 100 million dollars below 2019 levels. Inflation-adjusted travel spending in 2024 was 15 percent below 2019. City Center hotels sold 400,000 fewer rooms in 2024 than in 2019. Average monthly occupancy remains 14 points below pre-pandemic levels. Additional tax burdens will further hinder Portland's competitiveness among peer destinations.

The Transient Lodging Tax delivers the greatest benefit when revenues are reinvested in programs designed to stimulate Oregon's economy. Any proposal to increase the statewide TLT must be developed in partnership with the tourism industry and aligned with a long-term, statewide economic strategy. HB 4134 does not meet that standard.

For these reasons, I urge you to oppose HB 4134. Oregon's tourism workers, local businesses, and communities cannot afford the economic consequences of this bill.

Thank you for your consideration.

Katie Kadlub, CEO
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