

Oregon Legislature

Oregon House Revenue Committee

Re: House Bill 4134

February 27, 2026

Dear Oregon Legislative Committee:

I listened to the discussion of both support and opposition to HB 4134 which proposes to increase the state Transient Lodging Tax (TLT) from 1.25% to 2.5% (an 83% increase). This tax increase would partially fund five (5) Oregon Departments that have little to nothing to do with tourism and have the ability to raise their own revenue through increased user fees or reduced expenses. Companion bill HB 4148 would shift the Transient Lodging Tax (TLT) dollars **“collected by hotels and lodging businesses”** and allow local governments to direct those funds to their general fund use.

I am an Oregon Business person and allow me to offer my perspective on why these bills are wrong for Oregon.

I have owned and operated multiple Oregon businesses over the last 25 years. That means I invested my life savings in Oregon Hospitality businesses, borrowed money with my personal guarantees, made payroll when revenues were insufficient to meet that obligation, and suffered through the COVID pandemic whose scars remain today.

The Oregon legislature appears to be ready to change the law allowing local City/County Governments the ability to shift TLT dollars to the General Fund and away from the promotion of tourism which supports jobs. In short, this is basically a move to de-fund the promotion of Tourism (which support over 200,000 jobs statewide).

In addition, Supporters of HB 4134 outline the reasons for their support which include:

- The Lodging Tax is “largely” paid by visitors outside of Oregon (which is false).
- It appears as though the Five (5) Oregon Departments, with little to nothing to do with tourism, claim they need more funding, and have no other funding options. This includes the Oregon Department of Justice, Oregon Conservation Fund, and the Oregon State Police.
- The added TLT is unnoticeable for most consumers and in no way will affect any consumer’s lodging choices (also false).

It is easy to be dismissive of the people who actually invest in, live, work, and garner their livelihood from any industry. It is easy to cast them off as “short-sighted” or unwilling to pay their share. To do so in this case is not just wrong, it is unconscionable.

Here are some reasons “Why” you should defeat HB 4134:

1. **Lost Jobs.** Tens of thousands of Hospitality jobs were lost during the Pandemic and we have not yet fully rebounded. People left our industry due to the roller-coaster ride the Government authority put us through during the Pandemic with forced closings, weekly fluctuations in business operating hours, and failed Government leadership. Yet, at the start of the Pandemic, Oregon instituted a new “Corporate Activity Tax” on all businesses.
2. **More Tax at the Wrong Time.** The gateway city to Oregon (Portland) is in shambles. Nearly every hotel in Portland is for sale. The Marriott waterfront hotel in Portland just sold for 10 cents on the dollar. Marriott is the largest and most successful brand in the world yet Hotels in Portland are barely able to generate enough revenue to pay their operating expenses (let alone real estate taxes, insurance, debt service and capital improvements). Portland is essentially “**un-investable**”. This is supported by recent studies ranking Oregon’s business climate in the bottom 10% nationwide. The testimony from the Portland Metro Chamber of Commerce executive speaks volumes to the true state of the business climate in Oregon. We are “**last in every major economic indicator nationwide**”. 2025 Employment is down 14% from pre-pandemic levels statewide. Portland’s hotel revenue is still well-below pre-pandemic levels.
3. **Anti-Consumer.** Consumers pay the tax increase. **30% of the tax hike for HB 4134 will be paid by Oregonians.** Higher TLT makes cities non-competitive for leisure travelers, conventioners, corporate business travel, etc. How will this tax increase make Portland better? It is easy to shift costs to someone else. As responsible business leaders we have a duty to look out for any added costs attached to the products and services we provide to our customers (which we like to call “**guests**”). The attitude that “**someone else, outside of Oregon, will pay the TLT**” is not only false; it is irresponsible. Depending on the destination, Oregonians pay up to 50% of the TLT in a particular locale like the Oregon Coast.

In my own businesses revenue is basically “flat” from pre-pandemic levels, especially when we consider the compounded annual growth rate of inflation the last 5-6 years. Yet, our costs for everything else from payroll, utilities, insurance, renovations, maintenance, supplies, real estate taxes, and interest expense have increased dramatically. In looking out for our Guests, we cannot stand any more cost burden shifting to our customers. Our

customers do see these added charges (in spite of testimony to the contrary from people who know nothing about our business). If these testifiers were truly “on the ground” with us speaking to our guests every day, they would not make such ludicrous statements. And yet, that thinking seems pervasive among the supporters of HB 4134 and some legislators! **Just let someone else pay for it-someone we never have to speak to or face when we seek re-election.**

I am not opposed to local Cities and Counties needing more money in their General Fund or the five (5) Oregon Departments who would benefit from this tax increase. Most businesses, when faced with a revenue problem, look to reduce their expenses first. Yet, is that really happening in these five (5) departments in particular the Oregon DOJ (which seems to have more lawyers every year suing the Fed, corporations, etc?). Robbing the TLT monies from their originally intended purpose (i.e., promote tourism to support jobs) breaks the Trust between the Government and our industry. And what is not spoken about is that these privately held, Hospitality businesses use their own funds to promote their businesses allowing the TLT collections to grow. It is largely through our efforts that we even have TLT monies. And yet, we now have the Legislature ready to break a long-term agreement.

I ask that you to defeat HB 4134. Defeat it for the betterment of an industry that has seen nearly 1800 hotels and restaurants close over the last 5-6 years.

Please vote NO on HB 4134.

Sincerely,

Terrance J. Bichsel

Rivertide Suites Hotel

Seaside Oregon