

February 26, 2026



Opposition to HB 4134  
Eugene Area Chamber of Commerce  
Senate Finance and Revenue Committee

### Opposition to HB 4134: Transient Lodging Tax Increase

Chair Broadman and members of the Senate Finance and Revenue Committee;

On behalf of the **Eugene Area Chamber of Commerce**, representing thousands of employers across Lane County and the greater Eugene area, we respectfully urge you to **oppose HB 4134**.

Let me begin by acknowledging that protecting Oregon's wildlife and natural resources is an important and widely shared value. However, HB 4134 raises significant concerns because it increases the state's transient lodging tax (TLT) and **redirects revenue toward purposes for which the tax was not originally designed or intended**. This proposal represents a significant departure from Oregon's longstanding policy framework and risks undermining a successful partnership between the tourism industry and the state.

Oregon's statewide TLT was created as a reinvestment mechanism, using visitor-generated dollars to support tourism promotion, destination marketing, and economic development through Travel Oregon and related programs. This model has been successful precisely because it aligns the source of revenue with its intended use. HB 4134 fundamentally alters that alignment by diverting dedicated tourism funding toward programs outside the tourism ecosystem, creating uncertainty for businesses and setting a concerning precedent for repurposing industry-specific taxes.

This bill represents an estimated **\$38 million annual tax increase on Oregon hotels and lodging businesses**. At a time when Oregon's hospitality sector continues to recover from the impacts of the pandemic, with employment still approximately 14 percent below pre-2019 levels, increasing taxes on this sector while reducing reinvestment into tourism promotion threatens economic recovery and job growth across the state.

In Lane County, tourism plays a uniquely important role in supporting year-round economic activity. Eugene serves as a hub for university-related travel, major sporting events, conferences, and outdoor recreation tourism. **Visitors drawn to events at the University of Oregon, Hayward Field, and regional youth sports tournaments fill hotel rooms, dine in local restaurants, shop at local businesses, and support hundreds of small employers**. These visitors generate economic ripple effects far beyond the lodging sector itself, benefiting grocery stores, retail establishments, recreation providers, transportation services, and cultural attractions throughout the region.



The success of these events depends on Oregon remaining competitive as a destination. Large conferences, sporting tournaments, and group travel organizers compare costs closely when selecting locations. Increasing the statewide lodging tax, particularly when layered on top of existing local lodging taxes, will make mid-sized markets like Eugene less competitive against peer destinations across the West. Unlike larger metropolitan areas, smaller and mid-sized communities rely heavily on strategic pricing advantages and coordinated marketing to attract events. HB 4134 risks eroding those advantages at a time when communities are working hard to rebuild visitor demand.

Although the statewide TLT is often described as a tax primarily paid by out-of-state visitors, approximately **30 percent of these taxes are paid by Oregonians** traveling within their own state. HB 4134 would effectively increase costs for families traveling for youth sports, business meetings, university events, and visits to friends and family, amounting to an estimated \$11 million annual tax increase borne by Oregon residents.

Importantly, the existing TLT investment model is delivering strong results. Approximately \$40 million in statewide **TLT funding supports an estimated \$14 billion in economic activity, a remarkable return on investment**. Redirecting funding away from tourism promotion threatens a proven economic engine that supports local jobs and small businesses throughout Oregon, including communities like Eugene that depend on event-driven visitation and outdoor recreation tourism.

Dedicated taxes should remain dedicated to their intended purpose. Changing that purpose risks eroding policy predictability and undermining business confidence in Oregon's tax structure. Funding important priorities such as wildlife conservation should be addressed through comprehensive statewide budgeting processes rather than by repurposing industry-specific revenue streams designed to sustain economic development and job creation.

Transient lodging taxes are borne disproportionately by tourism-related businesses and visitors. Expanding the tax to support programs outside the tourism ecosystem raises fairness concerns: tourism businesses absorb reputational and pricing impacts, visitors face higher costs without corresponding reinvestment in the visitor experience, and communities that rely on tourism may lose resources critical to sustaining local economic vitality.

Oregon's tourism industry has long supported investments that strengthen the visitor economy and enhance statewide prosperity. HB 4134 moves away from that successful partnership model by increasing the transient lodging tax while redirecting its purpose away from tourism promotion and economic development.

For these reasons, and given the significant economic and policy implications of this proposal, we respectfully urge the Committee to vote NO on HB 4134.



**Eugene Area  
Chamber of  
Commerce**

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Brittany Q". The signature is fluid and cursive.

Brittany Quick-Warner  
President & CEO  
Eugene Area Chamber of Commerce