

**Subject:** Opposition to HB 4134 A

February 26, 2026

Chair and Members of the Senate Committee on Finance and Revenue,

My name is Mitul Patel, and I am the director of a small, independently operated hotel in Klamath Falls, Oregon. I respectfully submit this testimony in opposition to HB 4134 A.

Let me begin by saying clearly: I care deeply about Oregon's wildlife, natural beauty, and outdoor heritage. However, raising the statewide transient lodging tax from 1.5% to 2.75%, the funding mechanism proposed in HB 4134 A, places a disproportionate burden on small lodging businesses and the visitors we rely upon to survive.

In Southern Oregon, tourism is not a luxury industry. It is a lifeline. Many of our communities depend heavily on seasonal travel. We are still recovering from years of disruption: catastrophic wildfire seasons, smoke events that lead to mass cancellations, pandemic-era losses, labor shortages, and rising insurance premiums. Operating costs, from utilities to property insurance, have escalated dramatically. Unlike large corporate chains in metropolitan areas, small independent hotels do not have national revenue buffers or large capital reserves. When occupancy drops, the impact is immediate and personal.

While a 1.25% tax increase may sound modest in Salem, the reality at the front desk is different. Guests compare total price, not line items. Southern Oregon competes directly with Northern California and other regional destinations. When combined with local lodging taxes that already exist in many communities, this increase pushes total lodging taxes in some areas to levels that affect booking decisions for families, youth sports teams, and working-class travelers.

Additionally, lodging operators are tax collectors for the state. We are responsible for compliance, reporting, remittance, and customer questions. The amended version of the bill requires the conservation portion of the tax to be labeled as a “nature conservation fee” on receipts. This creates confusion and positions hotels as the face of a policy decision we did not make. Guests frequently challenge new fees at checkout. That friction damages customer relationships and places frontline staff in uncomfortable situations.

The overwhelming concern is not about conservation but predictability and competitiveness. Oregon already relies heavily on lodging taxes to fund tourism promotion and local services. Continually turning to this narrow tax base for new statewide programs sets a troubling precedent. Our industry represents a small percentage of the population but is repeatedly asked to shoulder new fiscal responsibilities. There is also an equity concern. This proposal places the burden of statewide wildlife funding almost entirely on visitors and lodging operators, rather than distributing it more broadly across those who benefit from conservation efforts. Wildlife conservation is a shared public good. Funding it should reflect shared responsibility.

Small hotel owners are not large corporations. We are often family-owned businesses who live on-site or in the communities we serve. We sponsor local events, donate rooms during wildfire evacuations, employ residents, and pay property taxes that support schools and infrastructure. When margins tighten, those community contributions shrink.

I respectfully urge the Committee to consider alternative funding mechanisms that do not rely solely on increasing the statewide lodging tax. If the Legislature believes wildlife conservation funding must increase, then it should be structured in a way that spreads responsibility more equitably and protects the viability of small, locally owned lodging businesses.

Southern Oregon has endured wildfire, smoke seasons, economic downturns, and rising operating costs. Now is not the time to increase the tax burden on an industry that is still stabilizing. I respectfully ask the Committee to oppose HB 4134 A.

Thank you for your time and consideration.

Sincerely,

Mitul Patel

Manzanita Hotel, Inc.

Southern Oregon Hotelier