

Submitter: Sarah Smith
On Behalf Of: InnCline Management
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: HB4148

Chair and Members of the Committee,

My name is Sarah Smith. I am submitting this testimony on behalf of three hospitality partners in Lane County, and as someone who has worked in the hospitality industry for more than 20 years.

I respectfully ask that HB 4148-7 be amended to remove the undefined resiliency grant provisions.

I have spent over two decades operating hotels and working alongside restaurant owners, tourism partners, and small business operators whose livelihoods depend on visitor spending. I have seen firsthand how critical dedicated tourism funding is to keeping our doors open, our staff employed, and our communities vibrant.

Tourism development funding is not abstract. It directly supports the marketing, sales efforts, and event recruitment that bring new visitors into our market. Those visitors fill our hotel rooms, dine in our restaurants, shop in our stores, and generate tax revenue that supports local services. When tourism promotion is strong and consistent, we see measurable increases in occupancy and community-wide economic activity. When it is weakened, the effects are felt quickly and broadly.

HB 4148-7 would allow local jurisdictions to shift transient lodging tax revenue to a 50/50 structure, with up to 50 percent available for general fund purposes. It would also expand allowable uses within the remaining tourism share to include tourism promotion, tourism-related facilities, or resiliency grants for small businesses in the restaurant and lodging industry.

While resiliency support may be well intentioned, the grant provision in this bill is undefined and lacks clear parameters or guardrails. That uncertainty is concerning. Reducing the dedicated tourism percentage while broadening allowable uses materially changes the structure and intent of Oregon's lodging tax framework.

Lodging taxes were designed to generate demand. They are an investment tool — one that grows the overall economic pie. Diluting that focus risks undermining the very system that creates the revenue we all depend on.

If resiliency funding is needed, it should be addressed through a separate, clearly defined funding mechanism with appropriate standards and accountability. It should

not come at the expense of tourism development resources that drive visitation and economic growth.

On behalf of our hospitality partners and as someone who has dedicated my career to this industry, I respectfully urge you to amend HB 4148-7 to remove the resiliency grant provisions.

Thank you for your time and consideration.

Sincerely,
Sarah Smith
Director of Operations
InnCline Management