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On Behalf Of: Visit McMinnville
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: HB4134

Oregon Lawmakers -

It's hard to be a person who comes out against funding for animals. I've been getting appeals from organizations I deeply care about looking for support for HB 4134. However, while the ideals behind the measure are admirable, it has two distinctly negative effects that should bring this project back to the drawing board.

One - raising taxes in this way will have a negative effect on the Oregon economy.

Let's be clear - people make decisions on where they travel based on the price, especially in these challenging economic times. Conventions pick sites based on cost for their attendees, individuals decide how many days they can stay. I don't want to catastrophize the situation, but the benefit may not balance the risk here. This is a significant change that will have effects on an industry that is Oregon's third largest employer and has a \$14.3 billion economic effect on our state. The speed at which this bill is moving through a short session is troubling since we don't really know whether this increased tax will or won't reduce the overall amount coming in. This isn't some tax just hitting corporations or billionaires, it's one that has a real world effect on small businesses, hard-working employees and all the industries that rely on visitors traveling our state.

Two - this tax violates the spirit of the TLT and treats tourism as an ATM.

HB 4134 sets a troubling precedent by attempting to leverage a specific industry's funding mechanism for unrelated fiscal needs. The TLT was established as a dedicated, industry-backed stream to grow Oregon's brand and bring additional revenue to our state through this important industry.

Yes, I believe we need to protect Oregon wildlife; yes, I want to see see otters come back to our shores and more, but what's next? Raising TLT percentages for affordable housing? Healthcare? These are Oregon issues that are also ostensibly affected by tourism...why not use this mechanism to fund those challenges? Our tax system is broken and these constant attacks on tourism funding are sign of how when all you have is a hammer, everything looks like a nail. I can see the appeal, but where does is stop?

Tax increases should be crafted in collaborative partnership with the industries they affect, not imposed as a shortcut that ignores long-term economic strategy.

If this bill passes, in twenty years, we will see the consequences of this short-siding thinking. Yes, we all want to keep the rich ecological diversity of this state intact, but this isn't the way to do it.

I urge the Legislature to go back to the drawing board with all related parties to find a better solution than HB 4134.