

Submitter: Denice Searcy
On Behalf Of:
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: HB4148
NO on HB 4148

I completely oppose any proposal to increase the state lodging tax whatsoever, but especially to fund the use of it for purposes other than tourism. First you try to raise the state transient lodging tax, HB 4134, and then you turn around and want to give part of what is already collected to city and county governments. The state and county room tax is already so high that it acts as a deterrent to people booking accommodations in our state. If we want to promote tourism the last thing we want to do is erect more barriers to people wanting to book overnight stays here. And it is completely inappropriate to use any funds derived from tourism into non-tourism uses. That should actually be made illegal in the law. All funds derived from tourism should be directed to promoting tourism in this state, and not elsewhere.

HB 4148 reduces the investment in driving visitor demand, and if it passes, small businesses are going to be the first ones who are negatively impacted. We already face so many challenges with increased costs, tariffs, and the rise of e-commerce competition, small independently owned businesses are closing left and right and this would be another nail in the coffin.

HB 4148 as written is that it would not just reset the table. It would flip it completely upside-down. Funding for the kinds of investments outlined above would be redirected to general services. We know cities and counties are responsible for providing necessary services. As residents and business owners who live within them, we appreciate those services. We understand local governments are facing significant revenue constraints. I do not feel that HB 4148 is the best solution, now or in the future. It jeopardizes the health of the tourism industry, local economies, community vibrancy, and the stewardship of our natural, heritage, and cultural assets.

HB 4148 proposes a significant shift in Oregon's long-standing policy governing the allocation of local transient lodging tax (TLT) revenues by reducing the minimum required investment in tourism promotion and tourism-related facilities from 70 percent to 60 percent and increasing the share available for general municipal purposes from 30 percent to 40 percent. While this may appear to be a modest adjustment, it represents a fundamental change in how Oregon treats visitor-generated revenue and risks undermining an economic development model that has delivered measurable and consistent returns. The existing 70/30 framework recognizes that reinvesting lodging tax revenue into promotion and visitor-facing

amenities grows demand, increases overnight stays, and ultimately expands the overall tax base that benefits both local governments and the broader economy. By reducing the required investment in tourism promotion, it greatly risks eroding the very engine that drives lodging tax revenue. Over time, this diminishes not only private-sector revenue but also the public revenues that local governments depend upon.

This is a VERY BAD IDEA and reeks of replacing the legislation in HB 4134. WE say "NO" to both!!