

5/8/25

To: Oregon House Committee on Revenue
From: Steve Tessmer, owner
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Hood River, OR. 97031

HB 3962 will be devastating to lodging properties throughout Oregon, especially in Hood River's seasonal market.

Today, Hood River's lodging partners already force our guests to provide 20% of the General Fund Budget for City of Hood River, on top of State lodging tax. This increases the cost to stay in our community by almost 10%.

While demand is usually high enough in our peak season to allow nightly rates to increase to a sustainable level, seasonal markets like Hood River struggle to survive in the off-season.

Current economic uncertainty and recent inflation have depressed occupancy and rates. Reservations are lagging behind a post-Covid bounce.

Increased costs for labor, services, supplies and insurance threaten the survival of lodging properties in our current uncertain economic environment.

Every dollar matters as more and more visitors shop online travel sites, seeking lower rates. Their sophisticated algorithms set rates that fluctuate daily, often by only a few dollars. If the State or City increase TLT further, guests factor that in to the affordability of making a trip or staying at any hotel. This forces the burden of any higher tax onto your lodging partners – the goose that lays the golden egg.

State and local lodging taxes were created with a contract between taxing entities and your lodging partners to help sustain communities AND contribute to the marketing and promotion of tourism. The deal everyone entered into in good faith was that any increase in lodging tax would require that 70% of the increase be dedicated to the additional marketing necessary to fill rooms at sustainable rates. As Oregon struggles to re-gain its reputation as a desirable destination, please honor that commitment by voting no on HB 3962 to help Oregon communities continue to benefit from tourism, without forcing your lodging partners out of business.

Thanks you,
Steve Tessmer