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Amy Barton
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Patrick Dawsey
Residence Inn, Lake Oswego
Ryan Tigner
iTrip Vacations Northwest

Feb. 7, 2026

House Committee on Revenue
Oregon State Capitol
Salem, OR 97301

RE: Opposition to HB4148

Chair Nathanson and Members of the Committee:

My name is Luke Spencer. I am the owner/operator of Clackamas River Outfitters in Estacada, Oregon. I am also the Chair of the Clackamas County Tourism Development Council, which is comprised of local agritourism, hospitality and recreation operators, and event facility and stewardship organization representatives appointed by the Board of County Commissioners to guide tourism efforts in Clackamas County. On behalf of the Council, we wish to express our concerns and opposition to HB4148.

This bill inverts the 2003 compromise reached between the tourism industry and local governments that allowed cities and counties to use up to 30% of local transient lodging tax (TLT) revenues for general fund

supported services. A thirty percent (30%) assessed on their offerings was deemed a reasonable additive amount for lodging properties to support local infrastructure, programs and services even though their businesses already pay property taxes, other local fees and assessments, and help grow and sustain local economies. TLT are paid overwhelmingly by visitors, making them one of the few revenue sources that fund community benefits without increasing the tax burden on local residents.

The compromise was needed to secure the passage of HB 2267 which established the State's transient lodging tax program and called for the creation of the Oregon Tourism Commission. The hospitality industry advanced HB 2267 to elevate Oregon's standing as a desirable destination and increase employment. At the time, Oregon ranked 47th in the nation for tourism promotion, the State's tourism industry was underdeveloped, and unemployment rates were high. The hospitality industry supported the addition of a state tax to elevate Oregon as a destination, but only with the assurance that cities and counties would not disinvest in local destination development—recognizing that each Oregon community is distinct. The bill replaces a predictable, capped contribution to general services with an unstable system that undermines long-term planning and investment.

There is a misconception about *tourism work* and how TLT funds are spent. A lot of people think that all destination organizations do is create and place marketing ads to drive more visitation. This is understandable. DMO used to stand for destination marketing organization. But in actuality, destination organizations are engaged in destination and community development, destination management, and stewardship efforts in addition to marketing and promotion. In our county, marketing dollars target filling in off-season gaps, redirecting visitor flow away from high-use areas toward rural gems with visitor capacity, and stewardship and safety messaging on our trails on river access points.

In the past few years, under the direction of the TDC, the Clackamas County Office of Tourism has provided \$1.335 million in grant funding for projects that include:

- Rebuilding and increasing accessibility of the rotted Trillium Lake boardwalk
- Improvements and upgrades to local heritage and cultural institutions like the Sandy Actors' Theatre, Lakewood Theater in Lake Oswego, and Philip Foster Farm
- Development of exhibits highlighting the contributions of underrepresented groups to the Oregon Territory settlement

Clackamas County Tourism Development Council - 2051 Kaen Rd., Oregon City, OR 97045

- Rebuilding historic sites, trails and campgrounds, like the Historic Mark Prairie School House and Clackamas River Corridor, that were damaged during an ice storm and the 2020 Riverside Fire.
- Celebrating native art and heritage with art installations and interpretive signage at sites along the Clackamas River.

At our upcoming board meeting next week, the TDC is going to take action on approving about \$500,000 in new grants from our 25/26 Strategic Investment Program

The above investments are in addition to the many local public-facing event sponsorships and visitor and resident safety and experience improvements the Clackamas County Office of Tourism provides each year with TLT. Examples include:

- Improving accessibility with colorblind glasses at Swan Island Dahlia Festival and Wooden Shoe Tulip Festival
- Supporting a recycling program in Government Camp
- Delivering 250 emergency preparedness kits to over 200 vacation rental properties to improve visitor safety
- Investing in an Alternative Floats program each summer that focuses on improved safety and visitor flow in our high use river access areas.

Last August, the TDC directed staff to invest \$827,000 to Clackamas County Parks to support thirteen (13) TDC approved projects that will increase camping options and long-term funding for County Parks, open up more trails and increase ADA accessibility for visitors and residents. The TDC also approved \$1,100,000 in funding for a pioneering for-profit tourism grant program that will be administered by the Clackamas County Office of Economic Development that will directly support tourism businesses in the county.

In 2024, for every \$1 of TLT reinvested through our Tourism Master Plan, Clackamas County realized \$143 in direct visitor spending - supporting local jobs, small businesses, and tax base growth.

All the above projects and efforts the TDC invests in fit under the umbrella of tourism because they are cultivated, selected and approved through our Tourism Master Plan. We are not unique. Many other destination organizations make similar investments or collaborate with other partners and/or Travel Oregon regional cooperative tourism organizations to leverage funds to make meaningful investments happen. It is not an either tourism *or* community development/infrastructure equation. It is about how and what projects you invest in that can satisfy both sets of goals under the current statutes.

Our opposition to HB4148 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. The ability of destination organizations to do destination and community development, destination management and stewardship work, and provide partner support would disappear. This bill risks forcing destination organizations to re-evaluate destination management, stewardship, and community development work, reducing them to limited marketing functions at best.

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. We do not feel that HB4148 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.

Thank you for your consideration,

Luke Spencer,
Chair, Clackamas County Tourism Development Council