

February 9, 2026



Eugene Area Chamber of Commerce
House Committee on Revenue

Opposition to HB 4148: Transient Lodging Tax

Dear Chair Nathanson and members of the House Committee on Revenue;

I'm writing on behalf of the **Eugene Area Chamber of Commerce**, representing thousands of employers across Lane County and the greater Eugene area, in opposition to HB 4148. The Chamber represents businesses across Lane County that rely on a strong visitor economy to support jobs, attract investment, and sustain local economic vitality. 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.

Tourism is one of Oregon's most effective export industries, bringing outside dollars into communities and supporting thousands of businesses across lodging, retail, food service, entertainment, transportation, and recreation sectors. Statewide tourism generates billions of dollars in economic activity annually, supporting more than one hundred thousand jobs and billions in wages. These outcomes are not automatic; they are the result of sustained and strategic investment in destination marketing, event recruitment, visitor services, and tourism-related infrastructure. 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.

Reducing the required investment in tourism promotion risks eroding the very engine that drives lodging tax revenue. When communities scale back destination marketing and tourism development, the impacts are felt quickly through decreased visitation, fewer events and conventions, and reduced spending at local businesses. Over time, this diminishes not only private-sector revenue but also the public revenues that local governments depend upon. While municipalities face legitimate fiscal pressures, diverting funds away from high-return economic promotion strategies may provide short-term budget flexibility at the expense of long-term economic growth and stability.

It is also important to recognize that the transient lodging tax is primarily paid by visitors rather than local residents. Oregon's policy framework has historically maintained a strong nexus



between the source of the tax and its purpose by ensuring that a majority of revenue is reinvested into tourism-related activities that generate ongoing economic benefit. Altering that balance risks transforming the TLT into a general revenue source without preserving the strategic investment approach that has made Oregon's tourism sector competitive and resilient. Additionally, weakening promotion investments creates a regional "free-rider" dynamic, where some communities may reduce marketing efforts while still benefiting from neighboring jurisdictions that continue investing, ultimately reducing Oregon's competitiveness as a whole.

Tourism-directed funding already contributes significantly to community development through grants, infrastructure investments, and local partnerships that enhance quality of life while supporting economic activity. These investments help communities host events, develop amenities, and attract visitors year-round, demonstrating that tourism promotion is not separate from community benefit but rather a key driver of it. The business community strongly believes that policies should preserve funding streams that have demonstrated a clear return on investment and have helped Oregon remain competitive in attracting visitors, conventions, and tourism-related business activity.

We acknowledge the real financial challenges facing cities and counties and support ongoing discussions about sustainable funding solutions for essential services. However, HB 4148 shifts resources away from a proven economic development strategy rather than creating new solutions. Reducing investment in tourism promotion risks shrinking the overall economic pie rather than expanding it, ultimately harming businesses, workers, and local governments alike.

For these reasons, the **Eugene Area Chamber of Commerce respectfully urges the committee to oppose HB 4148.** Thank you for your consideration.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brittany Quick-Warner'.

Brittany Quick-Warner
President & CEO
Eugene Area Chamber of Commerce