



Oregon Restaurant  
& Lodging Association

February 9, 2026

### **Jason Brandt Testimony – Alternative to HB 4148**

Good Afternoon Chair Nathanson, Vice Chairs Reschke and Walters, and members of the House Revenue Committee. My name is Jason Brandt with ORLA and I'm here to bring more attention to our industry proposal that is being developed as an amendment to HB 4148.

During the long session, legislators from both parties encouraged stakeholders interested in state laws governing local lodging tax policy to seek common ground and work towards compromise. We are happy to report that we took your advice seriously and come ready to support a proposal as an alternative to HB 4148 in its original form.

For 23 years now, state laws governing local lodging taxes have provided a critical revenue stream for local governments. Tax rate changes at the local level happen regularly with different implications for different municipalities dependent on complicated formulas. ORLA's leadership and our members recognize the disparities at play whereby communities like Bend and Ashland have 65% and 69% of their local lodging tax revenue to spend however they want while destinations like Seaside, Tillamook County, and Clatsop County only have 30% of total tax revenue to spend as they see fit.

Although spending data from local TLT revenue remains incomplete, we feel enough information has been collected via ORLA, League of Oregon Cities, and other stakeholders to update state law governing these economic development revenue streams.

Currently, unrestricted revenue available for local government general funds range from approximately 30% on the low end to as high as 95% in communities like the City of Gresham. ORLA stands ready in support of local governments to reset the percentage baseline for general funds from 30% to 50% for jurisdictions who do not currently have access to half of their lodging tax revenues for general fund purposes. For those local governments who already have the majority of TLT revenue to spend however they want we recommend no changes to existing percentages.

For cities with a limitation of 30% for their general fund, our proposal would give them access to 20% more of their local TLT revenue, rather than 30%. This proposal introduces more parity among local governments, while mitigating some of the harm that will come to those communities who could lose funding for their local tourism economic development work. This proposal is not without harm – at least 40 jurisdictions could see destination management organizations, non-profits and city tourism departments lose funding, to the tune of 20% of their budgets – in some cases more.

To that end, we also request that you consider a few additional provisions.

#1 - the industry still feels strongly about future incremental increases in local lodging tax rates being subject to a 70/30 split in favor of economic development investments such as tourism promotion and tourism related facilities. This condition would reinforce the intent behind an industry specific sales tax that is not incurred by other small businesses within a local economy.

If local governments want to raise the tax after the effective date of the reset, it meets the intention and promise of the tax to have the majority of the new money raised would go towards strategic investments to strengthen the local economy.

#2 - we must ensure stronger transparency amongst all 120 taxing jurisdictions collecting local lodging taxes. Full transparency can only assist future legislators in their decision making process while better connecting our members who are collecting and remitting the tax with the local governments spending those resources.

Thank you for the opportunity to comment on HB 4148 and provide an alternative.

We firmly believe our compromise represents the collaborative spirit our fellow citizens expect of us when making policy changes with impacts to both the public and private sectors.

Sincerely,



Jason Brandt  
President & CEO  
Oregon Restaurant & Lodging Association