Testimony on HB 4148
Submitted by the Oregon Winegrowers Association
House Revenue Committee
February 9, 2026

Chair Nathanson and Members of the Committee,

The Oregon Winegrowers Association represents wineries and vineyards across the state that are deeply tied to Oregon's tourism economy and rural communities. We appreciate the opportunity to share our concerns with HB 4148.

OWA opposes HB 4148 because it reduces the share of local transient lodging tax dedicated to tourism promotion and destination marketing. That promotion is not incidental to our industry. Tourism promotion drives tasting room visitors which results in direct-to-consumer sales that sustain Oregon wineries. This is even more true for small and mid-sized producers primarily located in our rural communities.

Wine tourism is one of Oregon's most successful destination assets. Visitors who come for wine country experiences stay in local lodging, dine in local restaurants, and shop in local stores. Destination marketing organizations play a central role in telling that story and bringing those visitors here in the first place. When tourism promotion is reduced, the entire local visitor economy feels it. The wine industry's tourism impact has declined by around 20% since 2019, from a peak of $894 million annually in visitor-related revenue to $714 million in 2025. Visitation to the Willamette Valley and Southern Oregon declined nearly 15% between October 2024 and October 2025. At this juncture we need to preserve tourism investments to help rebuild visitation to Oregon wine country.

The current transient lodging tax (TLT) framework reflects a longstanding policy choice to treat these dollars as a dedicated investment in tourism. That structure recognizes that visitors generate these revenues and that reinvesting a majority share into promotion creates a positive cycle of continued visitation and economic activity. Shifting the formula moves those dollars away from their dedicated purpose and weakens that cycle.

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Local governments absolutely face real service demands when it comes to tourism, and we respect those challenges. However, redirecting dedicated tourism funds is not a neutral budget adjustment. It directly reduces the resources that fuel visitation and the economic activity that benefits local communities.

For many wine regions, especially in rural Oregon, coordinated destination marketing is the difference between growth and stagnation. Smaller wineries do not have the budgets to market nationally or internationally on their own. They rely on regional and statewide promotion to attract visitors. A reduction from 70 percent to 40 percent for tourism promotion is significant and would be felt quickly.

OWA encourages the legislature to maintain the principle that dedicated taxes should remain dedicated to their intended purpose. Preserving a strong tourism promotion investment helps ensure that Oregon continues to compete as a premier wine and travel destination.