



June 12<sup>th</sup>, 2013

Oregon State Legislature, regarding HB2656

Senators,

I wrote about my concerns regarding HB2656 back in early March, and I believe my letter was discussed during your meeting about HB2656 earlier this week.

I was able to listen to the meeting, and I would like to address a few issues that were raised during that meeting.

- I do not know if there is any truth to the allegation that some online travel marketing firms collect lodging taxes and then fail to submit all of the taxes to the taxing entity. I doubt that it is a widespread practice.
- I do know that there are a large number of small hotels, B&Bs, vacation rentals and other small lodging operations all over the state that attempt to comply fully with local and state lodging tax laws, and that these small businesses would be adversely affected by the proposed law.
- It would seem to me that if tax compliance is a problem, there are already legal remedies available to address that problem. HB2656 is not well written and I do not believe it is an appropriate solution to such problems.
- I don't think that many people realize the enormous amount of money that is spent every month by on-line booking companies and small lodging operations to promote tourism in Oregon, and how effective those marketing campaigns are in bringing tourists to Oregon.
- I don't think people realize the degree to which traditional tourism marketing practices focus only on high-end nationwide lodging operations, to the detriment of the many owners of smaller lodging operations all over the state.
- I thought the point that was made about the fact that HB2656 would simply transfer marketing money from private businesses to the state was very much on target.
- In many rural areas of Oregon, small lodging operations are the only lodging options for tourists. In some communities, they are the primary driver of the local economy. The economy in such communities is fragile, and any law that is going to have an impact on these small businesses needs to be carefully and thoughtfully crafted.

The Oregon Association of Vacation Rentals believes that supporting a wide range of diverse lodging options helps bring tourism and economic development to Oregon, and supports the work of many small business owners. We do not believe the HB2656 should be approved.

Sincerely,

Doug Coates, President