



March 5<sup>th</sup>, 2013

Members of the  
House Committee on Revenue  
Oregon State Capitol  
900 Court Street NE H-383  
Salem, OR 97301

Hello,

My name is Doug Coates. I am president of the Oregon Association of Vacation Rentals, and I work on regulatory issues that affect vacation rental home owners and the many businesses that serve them across the nation.

Most people don't realize it, but short term rental of homes to tourists and business travelers has become a major economic driver for many communities in Oregon and around the nation. It is not unusual for the economic activity tied to vacation rental home activity to generate 10's of millions of dollars for small communities around Oregon. Many such communities don't generate enough tourism to support larger hotels and resorts, but it is not unusual for vacation rental activity to be one of the top 3 sources of outside revenues for such communities.

Our organization understands the function of tourism taxes, but we are concerned about House Bill 2656. The additional taxes that will be collected will come out directly or indirectly out of the pockets of vacation rental home owners. We rent our homes for a variety of reasons, but most of us don't break even each year on our rental activity. A tax that increases expenses for us becomes another reason for us to stop investing in communities and move on to more profitable activities.

I have seen many vacation rental home owners close their doors and move on due to poorly designed regulations and inappropriate taxation.

I ask that you educate yourselves about vacation rentals, how they operate, how they serve local communities and how they serve the traveling public -- before you consider passing such a law. If there is to be such a law, it needs to be designed so that it doesn't interfere with an emerging sector of Oregon's economy and hurt the local communities that benefit from the state's short term rentals.

Given our serious concerns with this legislation, we respectfully ask you to oppose House Bill 2656 at this time.

Sincerely,

Doug Coates  
President