

Date: June 13, 2017
To: House Committee on Revenue
From: The Association of Oregon Counties
Subject: House Bill 2064-9

Please add to the records of the House Committee on Revenue these comments related to House Bill 2064, which is on the committee's agenda for a work session on June 13, 2017.

AOC strongly supports the -9 amendments to House Bill 2064

Fifteen counties have local transient lodging taxes (TLT). Until 2003, the transient lodging tax had always been local, managed by locally elected officials. Local communities had been perfectly able to shape and approve the TLT that best fit local circumstances. All county TLTs used at least a share of proceeds for economic development and tourism.

House Bill 2267 (2003) imposed a new 1% state TLT continuously appropriated to the Oregon Tourism Commission. But the bill did not stop there. It imposed requirements and limitations on local TLTs, under rigid definitions, directing specific purposes of the local tax for the benefit of a particular industry.

HB 2064-9 would provide several modest but important improvements to the overly rigid restrictions imposed on local TLTs, and does not disturb the link to tourism.

The amendments would expand the needlessly restrictive statutory definition of "tourism promotion" to include providing for a tourism program, including tourism activities, tourism-generating special events, sporting events, and festivals designed to encourage tourism or accommodate tourists. The amendments would permit as "tourism promotion" developing or enhancing tourist attractions, tourism-related facilities, or tourism-generating special events. constructing or improving tourist amenities. Maintenance of a tourism-related facility would be permitted as a cost to be funded by the local TLT.

HB 2064-9 would make it more likely that intermediaries in the lodging business will be complying with TLT laws. Intermediaries are online travel companies or persons other than the transient lodging provider that facilitate the retail sale of transient lodging and receive consideration for occupancy or require the lodging provider to use a specific third-party entity to collect the consideration for occupancy. The amendments expand the definition of "transient lodging intermediary" to include a person that receives the consideration rendered for occupancy of the transient lodging, or requires the

lodging provider to use a specific third-party entity to collect consideration for occupancy of the transient lodging.

The amendments also authorize the Department of Revenue to hold the transient lodging provider, including each owner, jointly and severally liable for any TLT on the lodging transaction. HB 2064-9 would also provide clarifying language on local TLT collections.

AOC respectfully asks the House Committee on Revenue to agree to permit more modest flexibility in the overly restrictive limitations imposed by statute on local TLTs.