



**Testimony by City of Wilsonville Mayor Tim Knapp Supporting HB 4120:
*Proposed Legislation Provides Technical Correction that Allows Equitable
Treatment of Overnight Lodging Properties in a Competitive Market***

Scheduled for public hearing on February 7, 2018, before
the House Revenue Committee

Chair Barnhart and Members of the Committee:

The City of Wilsonville supports HB 4120 as appropriate legislation to improve lodging tax compliance, help recoup uncollected taxes and provide fairness/equal treatment to all lodging providers and intermediaries.

The proposed legislation fixes two problems facing all Oregon cities:

1. HB 4120 revises the definition of “transient lodging intermediary” to clarify that all online platforms are subject to lodging tax collection, as well as filing and payment requirements unless otherwise provided for by the city or county; and
2. HB 4120 expressly authorizes local governments to obtain business records from lodging tax providers and intermediaries when needed to enforce lodging tax requirements.


Legislation passed in 2013 was intended to treat intermediaries the same as traditional hotels and motels. HB 4120 simply carries out that legislative intent. Unfortunately, some companies reportedly have found potential loopholes in the 2013 statutory wording and have changed their online business platforms over time. As a result, cities are faced with enforcement challenges and have had to treat intermediaries differently than traditional lodging providers.

Wilsonville’s seven overnight lodging properties with 500 rooms that pay their fair share are competitively disadvantaged when intermediaries can undercut the overnight rate by not collecting or remitting the tax. A recent review of lodging sites advertised on an online intermediary found two dozen listings in Wilsonville with many showing no or \$1 in occupancy taxes due.

Under the bill, intermediaries would need to disclose property location information and submit to audits like other lodging providers if requested. These changes improve the state’s ability to collect local taxes on behalf of cities that enter into agreements with the state—an option expected later this year that the City may elect to utilize provided that this legislation advances.

The City of Wilsonville respectfully urges a DO PASS vote on HB 4120. Thank you.

Sincerely,


Tim Knapp, Mayor
City of Wilsonville