



STATEMENT IN SUPPORT OF – HB 4120

FEBRUARY 7, 2018

House Revenue Committee

Chair Barnhart and Members of the Committee

The Oregon Destination Marketing Organizations (ODMO) supports HB 4120 which would strengthen the transient lodging tax statute to require transient lodging intermediaries to collect and remit transient lodging taxes to the state and local jurisdictions. ODMO is a non-profit organization representing destination marketing organizations, convention and visitor bureaus and chambers of commerce responsible for marketing specific geographic areas as visitor destinations.

HB 4120 would:

1. Expand the definition of “transient lodging intermediary” to include a person that collects consideration for occupancy of transient lodging and a person that receives fee or commission and requires a transient lodging provider to use a specified third-party entity to collect consideration for occupancy of transient lodging.
2. Provide that each and every owner of transient lodging may be held jointly and severally liable for the state transient lodging tax.
3. Provide rules governing the filing of local transient lodging tax returns including the authorization of local government to subpoena and examine witnesses, administer oaths and order production of evidence in the hands of any person as necessary and proper prosecution of inquiries related to local transient lodging tax.

Since the Tourism Investment Program (HB 2267) was adopted in 2003 establishing the statutory framework for the transient lodging tax program, third-party transient lodging intermediaries have played an increasingly significant role in the market. In many cases, tax jurisdictions have been unable to collect the transit lodging taxes from these intermediaries which has diminished the resources available for the Tourism Investment

Program. The need to statutorily clarify that transient lodging intermediaries are responsible for collecting and remitting the transient lodging taxes was highlighted by the 2016 HB 4146 Work Group and resulted in the introduction of HB 2049 in the 2017 session. Destination marketing organizations, including ODMO, and local jurisdictions across the state support HB 4120 which would help close this loophole.

It should be noted that since the Tourism Investment Program was adopted, visitor spending in Oregon went from \$6.5 billion in 2003 to \$11.3 billion on 2016. Last year, Oregon destinations hosted 28.4 million overnight visitors with hotel room revenue throughout the state increasing by 8%. And, the number of direct travel industry jobs rose to 109,500. The travel industry is one of the top three export-oriented industries in rural Oregon counties.

HB 4120 will ensure equity in the transient lodging tax system as all transient lodging transactions will be subject to the tax and local jurisdictions will have the authority to require both transient lodging owners and their intermediaries to collect and remit the taxes. This will provide additional resources for the Tourism Investment Program which Oregon needs to remain competitive in the visitor industry. ODMO urges your passage of HB 4120 to help support Oregon communities across the state by ensuring that we can maintain and enhance our market share in the tourism industry.

Prepared by Bill Cross & Niki Terzieff, Government Affairs Advocate, ODMO February 6, 2017