

MMC

Metropolitan Mayors' Consortium

February 6, 2018

Chair Barnhart
House Committee On Revenue

RE: Support for HB 4120

The region's twenty-five Portland Metropolitan Area Mayors, who collectively make up the Metropolitan Mayors' Consortium (MMC), urge passage of HB 4120 because it will improve transient lodging tax compliance. Tourism is an important part our economy, and lodging tax revenues are a significant revenue source in our cities. HB 4120 simply levels the playing field and treats lodging intermediary businesses the same way as traditional hotels, motels and inns.

HB 4120 provides that if an entity is an intermediary, the entity must collect taxes, file a tax return and pay the taxes to the local government. Presently, there is some ambiguity in the law as to whether this is required of certain platform types, and the definitions need an update. Some entities are refusing to perform these basic duties unless they have an agreement with the local city. Unfortunately, such agreements often give unfair tax advantages to these entities.

HB 4120 would clarify that intermediaries no longer get special treatment when it comes to tax audits. Currently, some intermediaries will not produce personally identifiable information relating to any short-term rental host. This means that they will not disclose addresses of rented homes or rooms, making meaningful tax audits impossible and city code enforcement difficult. Our cities are struggling with housing shortages, and we need to be able enforce city codes equitably.

In short, for tax fairness and tax transparency reasons, we support this lodging tax improvement bill as an important response to changes in the lodging industry. In 2013, the legislature first amended the lodging tax statutes to cover intermediaries. HB 4120 simply continues that policy.

Respectfully Submitted,

Metropolitan Mayors' Consortium

Mayor Denny Doyle

City of Beaverton

Mayor Brian Hodson

City of Canby

Mayor Jeffrey Dalin

City of Cornelius

Mayor Gery Schirado

City of Durham

Mayor Ted Tosterud

City of Fairview

Mayor Peter Truax

City of Forest Grove

Mayor Tammy Stempel

City of Gladstone

Mayor Shane Bemis

City of Gresham

Mayor Lori Chavez-DeRemer

City of Happy Valley

Mayor Steve Callaway

City of Hillsboro

Mayor Ken Gibson

City of King City

Mayor Kent Studebaker

City of Lake Oswego

Mayor Mark Hardie

City of Maywood Park

Mayor Mark Gamba

City of Milwaukie

Mayor Teri Lenahan

City of North Plains

Mayor Dan Holladay

City of Oregon City

Mayor Ted Wheeler

City of Portland

Mayor Heather Kibbey

City of Rivergrove

Mayor Lee Weislogel

City of Sherwood

Mayor John Cook

City of Tigard

Mayor Casey Ryan

City of Troutdale

Mayor Lou Ogden

City of Tualatin

Mayor Russ Axelrod

City of West Linn

Mayor Tim Knapp

City of Wilsonville

Mayor Patricia Smith

City of Wood Village