



Date: February 7, 2018
To: House Revenue Chair Phil Barnhart and Members of the House Revenue Committee
From: Greg Astley, Director of Government Affairs, Oregon Restaurant & Lodging Association
RE: HB 4120 – Please Support!

Chair Barnhart and Members of the House Revenue Committee,

The Oregon Restaurant & Lodging Association supports the passage and approval of HB 4120. In 2003, the Tourism Investment Program (HB 2267) was adopted, establishing the statutory framework for the transient lodging tax program. Third-party intermediaries have always played a role in short-term lodging, and that role has increased as new short-term lodging models emerged in the marketplace and consumers more frequently turned to multiple online platforms to compare prices and make their vacation plans.

In 2013, we believe the Legislature passed bills intending to treat short-term rental intermediaries the same as traditional hotels, motels and other lodging establishments who pay the transient lodging tax to the state, counties and cities. While some intermediaries including Expedia and Priceline continue to pay local lodging taxes as a result of the 2013 legislation, the practice is not consistent across the short-term intermediary marketplace.

Unlike traditional lodging properties who are transparent and open in the way they conduct business, these same third-party short-term rental intermediaries refuse to disclose property locations; locations needed for the cities and counties to be able to conduct meaningful audits and enforce codes and regulations related to safety, liability and accessibility issues.

Further, some of these third-party short-term rental intermediaries have refused to pay taxes unless a voluntary collection agreement is signed and even then, the agreement stipulates no sharing of data between the short-term rental intermediary and the city or county. Cannon Beach recently rejected a voluntary collection agreement due to a lack of transparency and the inability to properly audit, thereby ensuring they were receiving the correct amount of transient lodging tax. Without full disclosure of data, including property locations, there is no way to accurately determine whether or not all taxes are being paid.

The need to statutorily clarify that short-term rental intermediaries are responsible for collecting and remitting the transient lodging taxes was reinforced in 2016 by the HB 4146 Work Group and as a result, HB 2049 was introduced in the 2017 session.

Cities, counties and the state need tax fairness in liability and tax transparency which means property location disclosure if requested. HB 4120 provides both. We encourage you to pass HB 4120 to properly allow for accurate audits and enforcement of existing laws and to ensure no entities operate outside the laws of our state.

A handwritten signature in black ink, appearing to read "Greg Astley", with a long horizontal flourish extending to the right.

Greg Astley
Director of Government Affairs
Oregon Restaurant & Lodging Association