February 7, 2018

Clackamas County Board of Commissioners
Policy Position
HB 4120: Relating to transient lodging taxes

Clackamas County supports HB 4120: The Board of County Commissioners supports HB 4120, which updates the statutory definition of "Transient Lodging Intermediaries" and provides additional clarity about who is responsible for collecting and remitting local transient lodging taxes (TLTs). The bill also grants local jurisdictions with audit authority.

Clackamas County has had a TLT ordinance in place since 1993. With such attractions as Mt. Hood and the Mt. Hood National Forest, we are a popular destination for visitors. Last fiscal year Clackamas County collected $4.5 million, allocating a majority of these funds toward tourism promotion and development programming.

Since the entrance of online intermediaries into the marketplace, compliance with our TLT program has become increasingly problematic. This issue is primarily due to intermediaries, and not individual property owners or property management companies, being unwilling to collect and remit. In one example, a large intermediary refuses to comply unless the county signs a "Voluntary Collection Agreement" that precludes any kind of meaningful audit. Meanwhile, all other program participants – hotels, motels, B&Bs, property management companies, guesthouses and individual vacation rental operators – are subject to full-book audits.

In 2017, the Board of County Commissioners updated the county's TLT ordinance to specifically include transient lodging intermediaries. After the update failed to encourage intermediaries who are known to be offering lodging in the county to come into compliance, the county filed suit in Clackamas County Circuit Court. The matter has yet to be resolved.

HB 4120 is needed to help Clackamas County and other municipalities address the problem of intermediaries continuing to refuse to participate in local TLT programs.

We urge a "YES" vote for HB 4120.

Please contact Chris Lyons at clyons@clackamas.us for more information.