



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

Scheduled for public hearing on February 27, 2018, before  
the Senate Committee on Finance and Revenue

**Chair Hass and Members of the Committee:**

The City of Wilsonville supports passage of HB 4120-A 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 a major problem facing local-governments in Oregon that seek to collect properly remitted lodging-tax from short-term online platforms. HB 4120-A 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 collecting the lodging tax.

Legislation passed in 2013 was intended to treat intermediaries the same as traditional hotels and motels. HB 4120-A 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 that result in evasion of the law. As a result, cities are faced with enforcement challenges and have had to treat remote online intermediaries differently than traditional lodging providers that are located in our communities.

Wilsonville’s seven overnight lodging properties with over 500 rooms that pay their fair share are competitively disadvantaged when online 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, demonstrating a failure to collect the appropriate tax 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-A. Thank you.

Sincerely,

A handwritten signature in blue ink that reads 'Tim Knapp'.

Tim Knapp, Mayor  
City of Wilsonville