



February 27, 2018

Chair Hass,
Senate Finance & Revenue Committee
900 Court St., NE
Salem, OR 97301

RE: Support for House Bill 4120A

Chair Hass & Members of the Committee:

On behalf of the Tourism Development Council for Oregon's Mt. Hood Territory, the destination marketing organization for Clackamas County, I wish to thank the sponsors of HB 4120 for introducing this bill and respectfully ask for the committee's support.

Travelers are researching and booking lodging on a myriad of new platforms that have come online in recent years. Paired with these are new transactional relationships to facilitate the retail sale of accommodations. In 2013 the Legislature passed HB 2656 which establish a statutory definition for "transient lodging intermediary". That legislation was needed to clearly and definitively identify which entity in the relationship chain was responsible for collecting and remitting transient lodging taxes (TLT). That entity has customarily and historically been the party that received payment from the customer.

HB 2656 was successful in providing clarity and compliance as it pertained to the State's transient lodging tax. However, in 2018, cities and counties that have their own local transient lodging tax programs - which are statutorily authorized - continue to struggle with getting transient lodging intermediaries to comply with local tax programs. This is becoming increasingly problematic as the popularity of on-line platforms grow and their offerings are expanding.

HB 4120A will provide additional clarity regarding the responsibilities of intermediaries as they relate to local TLT programs. It is our hope that this legislation will be successful is compelling intermediaries to become compliant with local tax programs; without requiring that cities and counties enter into limiting and restrictive agreements with them before they will do so.

If this goal is realized it will also help bring fairness to the booking and lodging industry. By not including local TLTs in the rates they offer intermediaries operate under a comparative cost advantage over entities that are operating in full compliance. And, by not collecting and remitting local TLTs, they are benefiting from but not contributing towards local marketing and development efforts that are bring increased tourism activity to communities across Oregon.

Thank you for your consideration of HB 4120A and I urge your support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Austin", is written over a light blue horizontal line.

Jim Austin
Legislative Affairs Coordinator,
Oregon's Mt. Hood Territory