

## Statement of Opposition to SB595

February 18, 2019

Chair Fagan and members of the committee:

Hoagland Properties, Inc. operates two motels in Florence, OR and is in opposition to Senate Bill 595. Like most tourism businesses on the coast, we operate at a loss a large portion of the year and reach revenue capacity in peak summer months. With increasing expenses such as minimum wage and supply cost increases, our only hope of remaining profitable long term is to have help from tourism marketing organizations which help bring more visitors to the coast during the winter, early spring and late fall months.

Our past president, Craig Sanders has been instrumental in moving forward the discussion and solution of "affordable workforce housing" especially as it relates to Oregon coastal towns where it is both difficult for employees to find affordable housing and there is a labor pool shortage. Potential employees living away from a coast town find it difficult to commute long distances because of lack of public transportation, commute time, and the financial burden required. Of our small staff year of 26 year round employees, only 7 work 35 hours or more/week, 9 work less than 25 hours/week, 6 live in trailers, and 9 do not drive to work, either walking, bicycling, relying on rides from others, or live on site.

Without finding solutions to bring more people to the coast outside peak periods coastal businesses have no means of increasing revenue to meet increasing financial obligations. To be in support of SB595 as a small coastal hotelier would be essentially "slitting my own throat".

Since tourism employs many people who cannot afford housing, a logical assumption by people unfamiliar with tourism would be to use the transient lodging tax (TLT) to address this housing problem. However, keep in mind tourism jobs go beyond hotels, motels, and convention centers.

We believe the solutions below would raise money for Oregon tourism marketing and could be targeted toward affordable workforce housing solutions while not placing undue burden on lodging:

1. Every entity providing short term lodging (less than 30 days) pay the TLT including all lodging through such organizations as VRBO, AirBnB, etc. as well as individuals.
2. Expand the TLT to a transient tourism tax (TTT) applicable to restaurants, golf courses, recreation equipment rentals, RV parks, camping fees, charter boats, fishing licenses, park passes and other tourism related businesses.

Sincerely,

Ron Moore  
President, Hoagland Properties, Inc.