

Doug Schulz, Aldersgate Conference Center
Jana Tindall, Oregon Parks and Recreation Dept.
Gil Riddell, Association of Oregon Counties
Patrick Allen, Office of Regulatory Streamlining

Staff Present: Paul Warner, Legislative Revenue Officer
Mazen Malik, Economist
Kristi Bowman, Committee Assistant

TAPE 82, SIDE A

002 Chair Butler Calls meeting to order at 1:04 p.m.

OPENS PUBLIC HEARING FOR HOUSE BILL 2197

005 Mazen Malik Gives overview of HB 2267 that was passed in the 2003 Regular Session. HB 2267 also concerns transient lodging taxes, but the language in that bill was not precise enough to extend the tax to vacation homes or similar transient lodgings. HB 2197 corrects the deficiencies in HB 2267 as stated in the Staff Measure Summary (Exhibit 1) and Revenue Impact Statement (Exhibit 2).

043 Malik Discusses amendments 2197-1, 2197-2, and 2197-3 (Exhibits 4, 5, 6) that apply more specific language about the types of dwelling units that would be exempt from the transient tax.

- 055 Rep. Komp Asks for clarification of youth camps and church camps being classified as non-profits.
- 058 Chair Butler Responds that the witnesses will likely address her question.
- 067 Todd Davidson Gives informational summary of HB 2267 (2003 Regular Session) from written testimony (Exhibit 8). Discusses the OTC tourism advertising campaign and the revenue generated. Discusses regional distribution of advertising funds.
- 126 Rep. Riley Asks about where inquiries about tourism come from. Asks about international advertising.
- 130 Davidson He will provide that information, and states that the majority of inquiries come via the tourism web site. Most of the advertising focus is on states within driving distance (WA, Northern CA, and OR). Regarding overseas marketing, the commission advertises in Japan, western Europe, Mexico, and the United Kingdom.
- 157 Scott West Testifies in support of HB 2197 because of the support received from the OTC for the hospitality industry in OR. Discusses leveraging local and state resources for tourism.
- 180 Chair Butler Asks if West has any opinion about the three amendments to HB 2197.

- 186 West Responds that he has no opposition to the church camp amendment (amendment 2197-1).
- 205 Chair Butler Asks about developing Oregon's tourism industry to be on par with the northeast region of the United States.
- 209 Davidson HB 2267 (2003 Regular Session) has enhanced the development of tourism. He believes that within a few years, not decades, there will be significant growth in the state tourism industry.
- 228 Rep. Boquist Asks for more specific numbers regarding the increase of people requesting tourism information from the Commission.
- 236 Davidson Responds that about 970,000 contacted the tourism commission in 2004 and that he expects that number to exceed one million in 2005. The OTC strives for efficiency such as encouraging increased use of the web site.
- 265 Rep. Komp On behalf of her 8th grade students, asks when a Six Flags amusement park is coming to Oregon. Asks the question to "plant the seed" with the OTC.
- 285 Patty O'Sullivan Testifies on HB 2197, amendment 2. Wants to ensure that all state facilities that are licensed or certified by the Dept. of Human Services are considered exempt.

- 317 Doug Barber Testifies on HB 2197. States that he is working with Rep. Berger on an amendment to include organizations like the Girl Scouts to be exempt from the lodging tax.
- 341 Rep. Berger Discusses the 2197-1 amendment. Comments that the intent of the amendment is to retain legitimate use of a youth or church camp, but not to preclude them from renting their facility to another entity and be required to pay the lodging tax. Discusses the language in the 2197-1 and 2197-3 amendments.
- 397 Barber Comments on the bill's language in Section 3, sub paragraph 3, pertaining to the 30-day occupancy limit, which would also include camps like those of the Girl Scouts. Expresses concern about Girl Scouts' liability with the lodging tax when they rent their camp to another organization in order to defray operating expenses. Comments that the term "general public" needs clarification.

TAPE 83, SIDE A

- 024 Dexter Johnson Discusses the intent of the language in the bill pertaining to renting a unit for less than 30 days and inclusion of youth and church camps. Amendment 2197-1 expands the bill's intent to exclude youth or church camp from tax, regardless of the use of the property. Amendment 2197-3 modifies the definition in 2197-1.
- 050 Chair Butler Discussion with Johnson about terms used in both amendments.
- 068 Rep. Berger Asks Johnson whether all church and youth camps fit under the 30-day limit in the bill. Comments that many church and youth camps are open more than 30 days per year.

- 075 Johnson Responds that even if a camp operates all year, as long as a member of the organization uses the facility, then the organization would be exempt.
- 085 Rep. Berger Recommends further work on more specific language of the amendments
- 090 Rep. Riley Comments that in his experience many church camps operate for the benefit of the local community, such as camps for disadvantaged children.
- 100 Johnson Adds that the Dept. of Revenue has rule-making authority to define “dwelling unit” and other terms pertinent to this bill.
- 107 Rep. Esquivel Asks if this situation runs into a landlord-tenant issues when occupancy is over a week.
- 110 Johnson Responds that he believes that issue pertains to more than 30 days occupancy.
- 114 Chair Butler Asks Rep. Berger to work with Legislative Counsel and other interested groups to specify the language for a future amendment.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2197

OPENS PUBLIC HEARING FOR HOUSE BILL 2089

138 Malik Gives overview of HB 2089 (Exhibit 9). The bill concerns the collection of transient tax, and allows local and state agencies to withhold payment of taxes until a \$100 threshold is met.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2089

RE-OPENS PUBLIC HEARING FOR HOUSE BILL 2197

175 Doug Schulz Submits written testimony (Exhibit 8). Schulz represents a non-profit camp association. Comments that the bill and amendments still do not address exemption for non-profit camps and conference centers. Discusses 30-day limitations. Comments that most non-profit camps must rent to other organizations besides their own because of the need to fund ongoing operational costs. Suggests amendment language to tie into the IRS definition of non-profit status. into the charter of the org. in which they cannot rent to the general public.

220 Rep. Riley Clarifies that his camp only rents to other non-profit groups.

222 Schulz Responds yes, and adds that is because they are a 501-3C organization. That IRS code prohibits renting to other for-profit groups.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2197

RE-OPENS PUBLIC HEARING FOR HOUSE BILL 2089

- 241 West Testifies in supports bill and conceptual amendment. The legislation will assist agencies with compliance.
- 247 Davidson Testifies in support of the bill because it is about efficiency. Supports a conceptual amendment that addresses at least an annual remittance of payment.
- 282 Malik Comments about the amendment currently being drafted. It will concern private owners as well as state agencies.
- 310 Jana Tindall Testifies in support of bill as originally drafted. Submits written testimony (Exhibit 10). Does not support amendments because the statutes noted in the bill are under the umbrella of the OR Parks and Recreation Dept., and HB 2089 was written specifically for the Dept. Suggests adding amendment language pertaining to private owners to HB 2197 instead.
- 331 Gil Riddell Testifies in support of bill for the same reasons as the Parks and Recreation Dept. Agrees with the one-year proposal to remit payments. Suggests consideration of a smaller threshold of payment because of the cost to agencies to process payments..
- 363 Patrick Allen

Testifies in support of HB 2089. His agency is a co-requestor of the original bill. Discusses that streamlining the payment process for state agencies and private owners would be helpful.

378 Tindall Discusses the reason for the small dollar amounts of the threshold, and comments that payment is made within 3-6 months by her agency to coincide with the end of the camping season.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2089

421 Chair Butler Adjourns meeting at 2:00 p.m.

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee
Coordinator

Exhibit Summary:

1. 1. HB 2197, Staff Measure Summary, Malik, 1 pg., 03/17/05
2. 2. HB 2197, Revenue Impact Statement, Malik, 1 pg., 03/16/05
3. 3. HB 2197, Handout: Background on Transient Lodging Tax Receipts, Malik, 2 pp.,
03/17/05
4. 4. HB 2197, Amendment 2197-1, Legislative Counsel, 1 pg., 03/15/05

5. 5. HB 2197, Amendment 2197-2, Legislative Counsel, 1 pg., 03/16/05
6. 6. HB 2197, Amendment 2197-3, Legislative Counsel, 1 pg., 03/17/05
7. 7. HB 2197, Testimony, Davidson, 5 pp., 03/17/05
8. 8. HB 2197, Testimony, Schulz, 1 pg., 03/17/05
9. 9. HB 2089, Staff Measure Summary, Malik, 1 pg., 03/17/05
10. 10. HB 2089, Testimony, Tindall, 1 pg., 03/17/05