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PUBLIC HEARING SB 327
TAPES 025-026 A/B

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

FEBRUARY 07, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair
Sen. Tom Hartung
Sen. Cliff Trow
Sen. Greg Walden

Excused: Sen. Eugene Timms

Witnesses: Mike Lindberg, City of Portland
Jeff Towery, City of Cottage Grove
Linda Schmale, Cottage Grove Area Chamber of Commerce
John Williams, City of Seaside
Suzanne Johanssen, City of Bend
Larry Patterson, City of Bend
Rob Drake, City of Beaverton
Ken Hector, City of Silverton
Julie Kelsoe, TICO, Baker City
Susan Barnes, Lincoln City
Bob Cantine, Association of Oregon Counties
Don Lindley, Lincoln County & AOC
Steve Carnacchia, AOC, O&C Assn., & Lane County
Jeff Morton, Eugene & Lane County
Bill Allred, Hallmark Inns & Resorts
Brett Everett, City of Bend & Deschutes County
Sue Pickell, Seaside Chamber of Commerce
Loren Collins, City of Salem

Staff: James Scherzinger, Legislative Revenue Officer
Steve Bender, Legislative Revenue Office
Steve Meyer Legislative Revenue Office
Janice DeVito, Committee Assistant

TAPE 025 SIDE A
005 Chair Phillips -calls the meeting to order at 1:11 pm

008 Steve Meyer -presents staff summary of intent of SB 327
PUBLIC HEARING SB 327
043 Mike Lindberg -Commissioner, City of Portland
-presents written testimony in opposition to SB 327 (Exhibit A)
098 -questions and discussion about adverse comment by the Portland area
lodging industry, effects of a moratorium on transient lodging tax, and
concurrent finance issues in legislative process
155 Jeff Towery -City Manager, City of Cottage Grove
-submits testimony in opposition to SB 327 (Exhibit B)
-states that cities provide diverse service through general fund which are
necessitated by tourism
-speaks to the issue of governance and "who is best qualified to make
decisions"
-questions and discussion
240 Linda Schmale -Cottage Grove Area Chamber of Commerce
-submits testimony in opposition to SB 327 (Exhibit C)
265 -questions and discussion
322 John Williams -City of Seaside
-presents written testimony in opposition to SB 327 from City of Seaside
(Exhibit D) as well as Cannon Beach Chamber of Commerce (Exhibit E)
-questions and discussion
-states that the impact of visitors increases need and cost of city
services
TAPE 026 SIDE A
020 -believes that room tax is a self-limiting tax which is appropriately
determined at the local level
049 Suzanne Johanssen -Commissioner, City of Bend
-on behalf of Larry Patterson, presents written testimony in opposition to
SB 327 from City of Bend (Exhibit F)
Larry Patterson -City Manager, City of Bend (does not testify but
is in attendance)
075 -speaks about definition of "tourism" and associated tourism promotion
113 Rob Drake -City of Beaverton
-speaks in opposition to SB 327
-favors local decision-making and explains City of Beaverton's use of room
tax funds
-questions and discussion
150 Ken Hector -City of Silverton
-presents written testimony in support of SB 327 with some qualifications
expresses concern that revenue derived from room tax or a room tax
increase should be used just to offset legitimate costs to city
infrastructures
-notes difficulty with definition of tourism and establishing reinvestment
criteria
260 -questions and discussion
285 Julie Kelsoe -Best Western Sunridge Inn and TICO, Baker City
-speaks in support of SB 327
-refers to cap and allocation provisions of bill which allow integrity in
original ordinances
387 -questions and discussion
TAPE 025 SIDE B
016 -discussion of history of room tax in Baker City and recent switch to
"two-tier system"
064 Susan Barnes -Seahorse Oceanfront Motel, Lincoln City
-presents written testimony in support of SB 327 (Exhibit H)
124 -questions and discussion about property tax position of oceanfront
motel, history of room tax increases, effects of room tax on business
profit
188 Chair Phillips -points to informational report titled "Statistics on
Transient Lodging Taxes In Oregon" provided by Oregon Lodging Association
(Exhibit I)
209 Bob Cantine -Association of Oregon Counties
Steve Cornacchia -Lane County Commissioner, O&C Assn., & AOC
Don Lindley -Lincoln County Commissioner & AOC
230 Cantine -presents background about local taxing authority in counties
and areas of appropriate state role in local financing
310 Carnacchia -states that he is officer of O&C Association of eighteen

counties which hold O&C lands administered by the Bureau of Land Management
 -presents comments about bill which are also germane to the general topic
 of preemption
 -describes financial condition of Lane County as one of O&C counties

TAPE 026 SIDE B

024 Carnacchia -states viewpoint as a member of the majority party
 028 Sen. Gold -takes exception to Mr. Carnacchia's assumption about
 minority party opinion

044 Don Lindley Lincoln County Commissioner
 -presents written testimony in opposition to SB 327 (Exhibit K)
 -cites examples of how room tax is used in some counties
 -believes that tourism is getting a fair share of room taxes collected
 throughout the state

115 Brett Evert
 Bill Allred -Hallmark Inns, Cannon Beach
 Jeff Morton -Angus Inn & Baron's Motor Inn, Eugene

115 Morton -speaks in support of SB 327
 -explains use of room tax in Eugene which is currently at 9-1/2 %
 -reports recent Lane County consideration of diverting financial support
 for tourism promotion (see news article "Tax raids a last resort" Exhibit
 K)

161 Bill Allred -speaks in support of SB 327
 -describes effect of room tax on group business which is constrained by
 their budgets (example of situation in Moses Lake, Washington)
 -recalls historical opposition to room tax by lodging operators in Cannon
 Beach
 -calls for fiscal restraint on part of cities with increases in room tax
 presented for a vote of the people

230 Brett Everett -Owner of motels in city of Bend and Deschutes County
 -testifies on behalf of SB 327
 -has concerns about trend of cities and counties to disenfranchise tourist
 industry from use of room tax

298 -explains administrative fee which is incorporated in bill

347 Sue Pickell -Seaside Chamber of Commerce
 -speaks in support of SB 327
 -speaks about importance of reinvestment of transient room tax into tourism
 promotion
 -advocates that taxes already in place in communities be examined and used
 properly

423 Loren Collins -Salem City Council
 -testifies in opposition to SB 327 (Exhibit L)
 -describes public process and charter provisions in Salem which determine
 use of transient room tax revenue

480 Chair Phillips -announces committee meeting scheduled for Monday,
 February 13
 -HJR 15-A will be heard 2/13-14
 -adjourns meeting 3:04 pm

Janice DeVito
 Committee Assistant

Kimberly Taylor James
 Office Manager

Exhibits Summary:

- A. SB 327, Lindberg, Portland City Commissioner testimony, 2/7/95
- B. SB 327, Towery, City of Cottage Grove testimony, 2/7/95
- C. SB 327, Schmale, Cottage Grove Area Chamber of Commerce testimony,
 2/6/95
- D. SB 327, Williams, City of Seaside testimony, 2/7/95
- E. SB 327, Williams, Cannon Beach Chamber of Commerce testimony, 2/6/95
- F. SB 327, Johanssen, City of Bend testimony, 2/6/95
- G. SB 327, Hector, City of Silverton testimony, 2/7/95

- H. SB 327, Barnes, testimony, 2/7/95
- I. SB 327, Harvey (OLA), Statistics on Transient Lodging Taxes in Oregon,
p5 forward
- J. SB 327, Lindly, Lincoln County Commissioner/AOI testimony, 2/7/95
- K. SB 327, Morton, "Tax raids a last resort", Eugene Register Guard 1/28/95
- L. SB 327, Collins, City of Salem testimony, 2/7/95
- M. SB 327, Harvey, Oregon Lodging Assn. testimony,
- N. SB 327, Phillips, City of Springfield testimony, 1/26/95
- O. SB 327, Phillips, City of Ashland testimony, 1/26/95