



HOUSE OF REPRESENTATIVES
900 COURT ST NE
SALEM, OR 97301

February 21, 2020

Timothy G. Sekerak
Chief Clerk of the House
Oregon House of Representatives
State Capitol Building
Salem, OR 97301

RE: Vote Explanation on HB 4047 – Transient Lodging Tax

Dear Chief Clerk Sekerak,

I voted AYE on HB 4047 to remove the sunset on the statewide Transient Lodging Tax (TLT) permanently so it would **remain at 1.8% rather than drop to 1.5%** on June 30, 2020, as originally intended in HB 4146 in 2016.

I voted for HB 4146 in 2016 because I agreed that tourism helps economic development around the state, and I agreed that we need to increase the state investment in marketing and infrastructure in preparation for Oregon21, the international track and field event that will be held in Eugene in August, 2021. Because Oregon21 still lacks the investment that the state had pledged, I believe we should keep the TLT at 1.8% in order to ensure adequate funding for Oregon21 over the next year.

However, over the 2020-2021 interim, we must examine the **governance and compensation of Travel Oregon** due to issues reported in the Secretary of State's recent audit, AND we must **re-examine the allocations** of the statewide and local TLT.

There is a **huge nexus between tourism and the lack of affordable housing**. Given the housing crisis that has burgeoned since we determined these allocation amounts years ago, we must now devote tourism revenue to address the housing shortages caused in part by the tourism. Addressing the housing shortage, which is particularly prevalent in highly touristed areas, such as the Coast, Ashland, Hood River, Bend and Sisters, should be a top priority for state and local governments out of concern for all Oregonians. However, it will also help tourism by providing housing for the workforce, and shelter for the homeless who may be sleeping in front of restaurants, parks and other facilities.

One of the strongest proponents of dedicating portions of the state and local TLT for housing is Bill Baertlein. Baertlein is Chair of the Tillamook County Board of Commissioners, Liaison to the Tillamook County Housing Commission, Board member of NW Seniors and People with Disabilities Services, and a board member of the Columbia Pacific Coordinated Care Organization (CCO).



Commissioner Baertlein's letter on OLIS states that tourism is good for economic development but comes at a significant cost to rural communities in the form of lost or inadequate housing. In Tillamook County, housing production has not kept up, and the vast majority of new homes has gone to vacation homes. Permanent year-round housing inventory in Tillamook County has been decreasing at a time when nearly 60 households were moving into the county each year.

The 2019 Housing Needs analysis showed that 44% are short term rentals and vacation homes, inaccessible to the workforce. In Manzanita, Neskowin, Pacific City and Rockaway Beach, **66%-80% of the total housing stock is now owned by part-time residents**. As a result, the rental vacancy rate in Tillamook County is only 1%, and Cloverdale, Garibaldi City, Hebo, Nehalem City, Neskowin, Pacific City, Tillamook City, and Wheeler City have a **stunning ZERO % rental vacancy**.

This housing crisis means that Tillamook cannot expand tourism, its key economic driver; and it also impacts workforce availability for schools, Adventist Health Hospital and health clinics, local government, and businesses, like Tillamook County Creamery, Tillamook Country Smoker, Pacific Seafood, and Hampton Lumber.

Commissioner Baertlein argues that part of the statewide TLT should be devoted to housing, and he has been a long proponent of changing the allocation of the local TLT 70/30 (tourism/municipal government) revenue split to one that allows local government to spend less on tourism and more on housing if needed.

White Bird Clinic, a community health clinic in Eugene, also submitted a letter to OLIS, stating, "Communities across Oregon have benefited greatly from tourism. It has also meant that much of our available long-term housing has been converted to short-term rental housing. Short-term rentals have taken housing supply off the market, pushing prices upward. In this manner, tourism reduces housing availability. That is why we believe that any conversation focused on increasing our state's lodging tax should also include a conversation about using a portion of those funds to address affordable housing development."

Governor Brown, Speaker Kotek, and House Revenue Chair Nathanson assured me that they support one or more workgroups focused on Travel Oregon's governance and compensation policies, statewide and local TLT allocation policies, the possible creation of a new state short term rental and/or vacancy tax, and the possible new local allowances for short term rental and/or vacancy tax. With that assurance, I voted to support HB 4047.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alissa Keny-Guyer', with a long, sweeping underline that extends to the right.

Alissa Keny-Guyer