

IMPACT STATEMENT

Legislation title: Amend Tourism Improvement District code to include short-term rental hosts who use Booking Agents to advertise or accept reservations and other housekeeping changes. (Ordinance; amend Code Chapter 6.05)

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Purpose of proposed legislation and background information:

Traditional hotels with 50 or more rooms currently contribute to the Tourism Improvement District (TID). These contributions are used to promote Portland as a tourism destination. In recent years, short-term rentals have become a significant portion of the tourism bookings in Portland and this market segment continues to increase. These short-term rentals benefit from the promotion of Portland as a tourism destination. The proposed legislation would require those short-term rentals who use Booking Agents to advertise or accept reservations to also contribute to the Tourism Improvement District. In return for their contribution to the TID, the management corporation that contracts with the City to provide tourism promotion will add members to their governing committee to represent the short-term rental market and will ensure that all lodging types, including Short-Term Rental activity will benefit from destination promotion.

Financial and budgetary impacts:

No impact is expected to the General Fund as a result of these changes. The additional revenues will be deposited into the Convention and Tourism Fund (C/T Fund) for distribution under the City's contract for tourism promotion. C/T Fund estimated revenues are \$720,000 to \$840,000 annually from Short-Term Rental locations. Adding hotels with less than 50 rooms will generate an additional \$175,000 to \$200,000 for a total of \$895,000 to \$1,040,000 annually.

Community impacts and community involvement:

The community impact of the legislation should be minor. The TID fee can be passed on to the guest if it is broken out separately on the guest's bill. It should only impact short-term rental hosts, platforms and guests. The two large online platforms with the greatest presence in Portland have received and commented on the proposed legislation.

Budgetary Impact Worksheet**Does this action change appropriations?**

- YES: Please complete the information below.
 NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Motion record June 13, 2018.

627

Amend Tourism Improvement District code to include short-term rental hosts who use Booking Agents to advertise or accept reservations and other housekeeping changes (Ordinance introduced by Mayor Wheeler and Commissioner Fish; amend Code Chapter 6.05)

Motion to include hotels with less than 50 rooms and amend exhibit A accordingly: Moved by Saltzman and seconded by Fritz. (Y-5)

**PASSED TO
SECOND READING
AS AMENDED
JUNE 20, 2018
AT 9:30 AM**