

Tillamook County



DEPARTMENT OF COMMUNITY DEVELOPMENT
BUILDING, PLANNING & ON-SITE SANITATION SECTIONS

1510 – B Third Street
Tillamook, Oregon 97141
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Land of Cheese, Trees and Ocean Breeze

MEMO

Date: March 18, 2022
To: Tillamook County Board of Commissioners
From: Sarah Absher, CFM, Director
Subject: Proposed Amendments to Tillamook County Ordinance 86: A Short-Term Rental Operator License and License Fee within Unincorporated Tillamook County
Meeting Date: March 23, 2022

A copy of all written testimony received to date is included with this memorandum. Staff continues to work with Counsel on options for Board consideration regarding a license fee waiver for owners who rent less than 14 days per year. Staff and County Counsel will be prepared to further discuss this matter at the meeting.

The next meeting on this matter has been scheduled for 10:00am on Wednesday, March 23, 2022.

If you have any questions, please do not hesitate to contact me.

Thank You,

A handwritten signature in blue ink, which appears to read "Sarah Absher". The signature is fluid and cursive, written over the printed name.

From: Gregory I. / Deborah A. Darr Ph # 503 949-0450

darrsbeachcottage@msn.com

c/o 4440 McMinnville Ave.

Neskowin, Or 97349

March 5, 2022

To: The Tillamook County Commissioners

We write this letter regarding the continue taxation meeting on March that we cannot attend of our short term rental property. We have had to pay for a permit to rent our short term vacation rental.

Next, it's a lodging tax that was put upon us.

Now we have had to pay a quarterly tax on our gross revenue and NOW it is being proposed that we pay a yearly tax based on the amount of people that stay per rental per year.

We received a letter stating that the additional tax would help toward maintaining the streets, the safety and general maintenance of the property we use as a short term rental.

We have owned this property for about 20 years and we have NEVER seen any type of county upkeep on the streets or upkeep the creek that overflows leaving a mess for those who live near it to clean up!

In fact, Hawk creek floods almost every year and we have called several Tillamook county agencies to ask for who to contact to "clean the creek from logs and debris" and all we have ever gotten was the "RUN AROUND" by telling us to call various departments of Tillamook county and each department passed the responsibility to another department.

So we would really like to know why we should have to pay an additional tax for the non-existent service that has never happened. A retaining wall was built by the wayside to keep flood water away. But what about the residence who have to

clean up the mess the flood deposits on our street and property? As of yet, we haven't seen any Tillamook county maintenance personal cleaning that up.

We think it is just one more way for Tillamook county to line the pockets of the hardworking property owners who are trying to pay a mortgage payment on the property we are continually being taxed on for our short term rentals.

We are aware that there are some property owners that are against short term rentals in Neskowin. Many of those people have inherited their property and are selfish enough to try to keep others from enjoying the beauty of Neskowin.

Short term rental for vacations is a large part of the economy in our area that benefits businesses all around us.

How about some help to make it fair.

Two handwritten signatures in black ink. The top signature is a cursive name followed by a long horizontal line. The bottom signature is a more stylized cursive name.

Lynn Tone

From: Sarah Absher
Sent: Friday, March 18, 2022 4:20 PM
To: Lynn Tone
Subject: Revised Public Draft Ordinance 86 STR Operator License Fee 2-23-22

From: Jason Brandt <jbrandt@oregonrla.org>
Sent: Monday, February 28, 2022 12:47 PM
To: Sarah Absher <sabsher@co.tillamook.or.us>
Subject: EXTERNAL: RE: Revised Public Draft Ordinance 86 STR Operator License Fee 2-23-22

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Hi Sarah –

Thanks again for your follow up. Movement to the annual fee approach was a solid move and keeps you in conformance with state law. I hope the process goes smoothly coming up and I hope you're feeling better after your bout with Covid – it hit my family too a ways back and it wasn't fun.

My best,

Jason

Lynn Tone

From: Sarah Absher
Sent: Sunday, March 13, 2022 4:22 PM
To: Doug Herboth
Cc: Lynn Tone
Subject: Notice of Hearings #86

Importance: High

Hello Doug,

My apologies for the delay.

The STR Operator License Fee would now apply to all rentals- irrespective of rental activity. It is possible that the County Commissioners may elect to waive the Operator License Fee for those who rent their home less than 14 days per year.

The STR Operator License Fee was adopted by the County Commissioners in December 2020 and went into effect July 1, 2021. This license fee is separate from the transient lodging tax and separate from the STR Permit.

Since the March 2, 2022, hearing, I have been working on exemption language for rentals with limited activity of less than 14 days per year. I will be prepared to present on this matter at the March 23rd hearing. I am also happy to share your concerns related to rentals who rent for less than 30 days per year. While I cannot guarantee, it is possible the Board of County Commissioners may consider incorporating an exemption into the Short Term Rental Operator License fee structure.

If the proposed changes are adopted by the Board of County Commissioners at the March 23, 2022, hearing I anticipate the changes will go into effect immediately and replace the existing operator license fee payment schedule.

There will be an opportunity to provide oral testimony at the March 23, 2022, hearing regarding the proposed changes to the STR Operator License Fee program. A link to the public hearing will be posted at the top of the DCD homepage the morning of the hearing: <https://www.co.tillamook.or.us/commdev>

Please let me know if you have any additional questions.

Sincerely,

Sarah Absher, CFM, Director

TILLAMOOK COUNTY | Community Development 1510-B Third Street Tillamook, OR 97141 Phone (503) 842-3408
x3317 sabsher@co.tillamook.or.us

-----Original Message-----

From: Doug Herboth <dherboth@gmail.com>
Sent: Friday, March 11, 2022 1:17 PM
To: Sarah Absher <sabsher@co.tillamook.or.us>
Subject: EXTERNAL: Notice of Hearings #86

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we have not had a reply from our first email.

The existing short term rental operator license fee has exemptions for rentals less than 30 days total rents per unit annually. Will this exemption remain, it was not referenced in the existing summary of proposed amendments?

Secondly, when would such a proposal be started?

Thirdly, is there a Transient Lodging Tax? Was the STR Operator License Fee it's replacement? The exemption mentioned above was on the Transient Lodging Tax.

I'm trying to understand the feasibility for a small operation we have with these changes proposed. Our House is TLT ID # 02078, our certificate of inspection permit number 851-15-000023-STVR, occupancy 17. As you can see without an exemption the flat rate would put our annual fees to \$1575 including the \$250 Short Term Vacation Rental annual permit fee. Our total revenues last year were \$3000.

Unfortunately for our household, we were out of town starting February 10th to March 3rd, the notice was not given out early enough for this scenario. Oral testimony and written testimony deadlines were already past by time we read the mail.

The March 23rd 10am hearing seems to have limited opportunities for in person or alternate testimony, will that change and is the second hearing for testimony?

Thanks for any help in these circumstances.

Doug and Linda Herboth
7750 Pinebeach Loop
Rockaway Oregon 97136
503-313-4415

Sent from my iPad

To: Commissioners Yamamoto, Skaar, Bell

From: Leslie Kay

Re: Amendment to Tillamook County Ordinance #86/Short -Term Rental license operator Fee
Requesting exception for STR holders who rent less than 15 days per year and who do not operate as business to comply with federal tax law.

Date: February 18, 2022

Dear Commissioners Yamamoto, Skaar, and Bell,

I am writing to point out a potentially unintended consequence of the proposed "flat fee" amendment to the STR operator license fee ordinance. I request that the commissioners consider carving out an exception for STR permit holders who rent less than 15 days per year and who do not operate as a business to be consistent with Federal tax law and policy.

I have a Tillamook County STR Permit. In the last 4 years I have not rented my home for more than two weeks per year. I do not operate as a business. In the last 2 years I have not rented my home at all because of Covid. I have paid the Tillamook County permit fee for each year. I have owed no TLT for the last two years, or operator fee because I have had no rental revenue from my home.

Under federal tax law there is a special rule for homeowners who do not rent their homes for more than two weeks per year. The income for this two week period is not taxable, but likewise one can take no deductions for expenses or taxes or fees because it is not considered a business <https://www.irs.gov/taxtopics/tc415> Minimal Rental Use

I believe that the proposed flat fee amendments to the operator fee should be consistent with federal law. Otherwise people like myself and others who rent out our homes for less than 15 days per year and who do not operate as a business will be disproportionately impacted by the proposed flat fee: e.g. I am permitted for 8 people. Under the proposed operator fee scheme people who rent for less than 2 weeks per year will owe \$250 for the permit + \$600 for the operator fee+ TLT on any revenues. This becomes particularly burdensome in years when one has no revenue at all because of Covid or if one generates no revenue at all.

Under my status with the Federal IRS I cannot deduct any expenses or taxes or fees because I am not running a business. I believe that this proposed flat fee policy will unduly burden people who are trying to comply with the Tillamook County permit fee and operator fee and transient lodging tax rules. The person with 0 income, or minimal income, will pay \$600 for an eight person rental, and the person with \$20,000 of revenue will pay \$600 for an 8 person rental. For this class of people, the fees and taxes are not deductible because they are not operating a business. This makes it burdensome for those of us who are trying to comply with the TLT and permit and operator fee rules who are not running a business because we rent for less than 15 days per year.

I believe that an exception should be carved out of the flat fee scheme for STR permit holders who are renting less than two weeks/year to correspond with federal tax policy and to retain

these permit holders from leaving the program all together. The operator fee should be waived all together, tied to revenue, or be nominal to reflect that these operators are not running a business. For the most part we are renting to friends and family.

Thank you for your consideration of this suggested amendment to the proposed flat fee scheme if adopted.

Leslie Kay

Oceanside, Oregon

To whom it may concern,

I, Nate and Minerva Castillo, residents of Tillamook County are in favor of the proposed amendment to Tillamook County Ordinance #86 which states that the short-term rental operator license fee will be an annual (yearly) fee paid at the time of STR permit issuance and at the time of STR permit renewal. Replacing the existing quarterly license payment based upon gross revenue receipts.

Thank you for your consideration,

Nate and Minerva Castillo, 2/23/2022

Lynn Tone

From: Brenda Kevin <huffingertrentals@gmail.com>
Sent: Wednesday, February 23, 2022 1:27 PM
To: Sarah Absher; Lynn Tone
Subject: EXTERNAL: Ammendment to Ordinance #86

[**NOTICE:** This message originated outside of Tillamook County -- **DO NOT CLICK** on links or open **attachments** unless you are sure the content is safe.]

Below is a letter to be given to the County Commissioners regarding the discussion on 3/2/22 and 3/23/22. We are unable to attend due to pandemic homeschooling at that time and us having jobs.

To the County Commissioners,

As a social worker who has worked with deeply impoverished and homeless communities, I am one to encourage ways to better support communities.

However, what has been happening in the development of Ordinance #86 has been a convoluted mess, at best. And it has been a reach out to add taxes to those who are already taxed and pay fees to Tillamook County without any direct representation from the county.

In 2020, the county already collected \$150,000 in TLT taxes. And the county collects annual license fees from each operator as well as property taxes (which results in little benefit in services for those who rent out a second home or vacation rental and do not have children attending Tillamook County schools). And with all these different fee collections, there is STILL no way to pay online, so the county has created its own headache by having to manually manage an increasingly complex system of taxes and payments.

The original payment structure that came out last year contained large gaps of disparity between different owners. For instance, if in a quarter a person netted \$15,000, they paid the same amount as someone who received \$10,000, or someone who received \$19,999.

Now the taxation just became more burdensome. For instance, our unit had one rental in February. Our quarterly netted "income" (and this is in quotations because there are utilities paid to the county, mortgage, property tax paid to the county, and cleaning staff who live in the county are paid), would put us at the previous \$50 range, and now it would technically be \$150 if you divided the \$600 for our maximum occupancy over four quarters.

Additionally, to use the per person maximum occupancy as a guide, you are also missing out on potential taxes you had established in the quarterly payment structure plan. For instance, our unit sleeps 8. Next door sleeps six. Next door charges slightly more in the high season. You just lost potential revenue because you are billing by occupancy, rather than the actual income.

If we look at several units in our area that have a maximum occupancy of 10, in the high season one charges \$315/night, another \$345/night, and another \$395/night. The higher two would yield a greater profit and place them in the \$20-30K revenue, while the lower one would fall into the \$10-20K revenue. Using the occupancy rate formula, you just lost revenue.

Not only does the county miss out on potential income, but there is a HUGE question about equity. Is it fair to tax on projections, or is it fair tax on actual income? If this were the IRS taking money out upfront, there would need to be money returned at the end of the year.

Would it be better to have a percentage tax on each person's income? The state of Oregon and the federal government is already doing this.

Please feel free to reach out to me for greater dialog,

Brenda Huffstutler

From: Webmaster <webmaster@co.tillamook.or.us>
Sent: Wednesday, February 23, 2022 11:37 AM
To: Isabel Gilda <igilda@co.tillamook.or.us>
Subject: FW: EXTERNAL: Form submission from: Contact Us

This came in to the webmaster mailbox.



Jeff Underwood (he/his) | Programmer/Analyst
TILLAMOOK COUNTY | Information Services
201 Laurel Avenue
Tillamook, OR 97141
Phone (503) 842-3406 x3480
Mobile (503) 812-2098
junderwo@co.tillamook.or.us

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From: Tillamook County OR <tillamookcounty-or@unicodeweb.com>
Sent: Wednesday, February 23, 2022 9:31 AM
To: Webmaster <webmaster@co.tillamook.or.us>
Subject: EXTERNAL: Form submission from: Contact Us

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Submitted on Wednesday, February 23, 2022 - 9:31am

Submitted by anonymous user: 209.216.166.141

Submitted values are:

First Name Marc

Last Name Geller

Email marcgeller@gorge.net

Question/Comment

Please consider this as Public Comment regarding Tillamook County Ordinance #86 STR Operator License Fee Amendments.

Our STR permit is for 8 persons, but we cap guests at 5 persons. Since the proposed ordinance applies a cost based on the number of permitted persons we should be allowed to unilaterally lower our number of permitted persons, or otherwise be treated fairly, as we would be charged for capacity we don't even utilize.

Thank you.

The results of this submission may be viewed at:

<https://www.co.tillamook.or.us/node/7/submission/4394>

Lynn Tone

From: bigdave@bigdavesfishing.com
Sent: Wednesday, February 23, 2022 12:41 PM
To: Lynn Tone
Subject: EXTERNAL: Amendment to Tillamook County Ordinance #86

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Please share with the board of commissioners. Thank you!

To Whom It May Concern,

As a small business owner in Tillamook County, I Leslie Manners own/operate the Wilson River Lodge at 17175 Wilson River Hwy. Tillamook, OR 97141. We are a small bed and breakfast and have a very small income. It's tough enough with county and state lodging taxes and then we were hit with the short-term rental operator license fee last year. Add COVID to the mixture and it's amazing that we are even standing anymore. Now, I see that you are proposing a modification to charge \$75 per occupant annually. This is a substantial increase and will be a burden to our business along with many others I'm sure. I oppose this change and hope that you will take into consideration us small lodging operations who barely create a profit especially in the midst of a global pandemic.

Sincerely,
Leslie Manners
503-869-0905



Virus-free. www.avg.com

February 23, 2022

Tillamook County Department of Community Development

RE: Proposed Amendment to Ordinance #86

Dear Council members;

I am a home owner in North County that supplements my social security income with short term renting of my primary residence. I've cleaned professionally for private residences, motel, and short term rental before using my home first as a room renting through AirBnB then moved to renting my entire residence and finding alternative housing while renting. I clean to a professional level with the extra steps for COVID 19. I don't make anywhere near the \$5000.00 minimum per quarter and pay the current rate of \$50.00 a quarter or \$200.00 a year. So a home making \$200,000 a year currently pays \$2400.00 a year for this license fee. That's 1.2% of their income. For 2021 I made \$4617.20 gross in rent before expenses to give my home a rest and \$13,000.00 gross before expenses, the previous year. So if I paid \$600.00 for licensing last year and the flat rate was \$600.00 for my so called 8 occupancy home (which I don't allow to be all adults as too many for home and parking) then I'm paying between 12-13% of my income, which again is before expenses and not taxable. Even at \$13000.00, BEFORE expenses, I'm paying between 4 and 5 % to wealthier multi-home owners less than 2% of their income and less percentage if they make more.

Can you see why I'd question why you are doing this? It feels like punishment to the small business minded folks looking to simply be more financially independent.

I'm so very curious who even comes up with these amendments and what 'public safety' measures these license fees will pay for? If it's for fire and rescue fine, but I would think TLT taxes already pay for that? Is it to finance more over reach of government that the free market is more than capable to handle through guest reviews on VRBO and AirBnB?

I can only speculate on your reasons and purposes for the money as well as the reason for this proposed change to the ordinance. I can't think of any non-nefarious reason for the proposed amendment. Helping the wealthy, marginalize the small business.

The current system that goes by home rent income NOT occupancy, which can be deceptive, is much more fair then the proposed flat rate as my income percentages show. You are punishing the lower income producing properties with this rate. Is that the goal? I would think not.

Sincerely,

Kathleen A. Johnston

Ruby Wray's Coastal Home

Lynn Tone

From: Vicki Walker <vicki@vickiwalker.com>
Sent: Wednesday, February 23, 2022 12:01 PM
To: Lynn Tone
Subject: EXTERNAL: Amendment to Ordinance #86 STVR Operator Fee

Importance: High

[NOTICE: This message originated outside of Tillamook County -- **DO NOT CLICK** on links or open attachments unless you are sure the content is safe.]

Dear Lynn:

Please include my comments regarding yet another amendment to Ordinance #86 being considered by the Tillamook Co. Commissioners on March 2 and 23, 2022.

Dear Commissioners:

I stand in opposition to the proposal to change the operator fee from a revenue-based fee to a flat fee.

We are opposed to the flat fee because it is an unequal tax. While we don't like the tax in the first instance because we think there should be a county-wide effort—like a food and beverage tax—to pay for public safety and affordable housing, to ask us to pay the same fee as someone who owns a home rental that rents more than 100 days per year, or charges much more per night is not appropriate. The fee should remain revenue-based.

We have owned a two-bedroom, two bath, 800-sq-foot condo in Neskowin Resort for 19 years. I have sat on the board the entire 19 years, and have been chair for the last several. We have resort management on site, we have twice a week garbage service with three dumpsters on site, and have never had a problem that others talk about in our community. And prior to passage of Ordinance #86, we at the resort operated our units peacefully without an STVR license as good stewards in our community.

As an STVR license holder, my husband and I generally rent our condo for less than 100 days per year because we view this as our second home, not an investment property. That is why we manage our own unit, control who stays there, and during COVID have imposed 48-hour restrictions on vacancies between guests to allow for safe and enhanced cleaning protocols. We rent it to help pay the taxes, the condo dues, a mortgage that has since been paid off, and the ever-increasing fees imposed by the county.

Additionally, while we have a maximum occupancy of six, that usually pertains to children. Often we have a set of parents and grandparents with a child or two, or maybe a set of parents with their kids home from college. We have an extra queen inflatable bed for just those circumstances. I can count on one hand how many times we rented to more than 4 people last year. Let me give you an example as to how the operator fee worked last year.

In 2021, we rented 96 days. Q1 the operator's fee was \$50. Q2 the operator's fee was \$100. Q3 the operator's fee was \$100. And Q4 the operator's fee was \$50. The total annual fee comes to \$300. Under the new proposal, if a couple of those nights we happen to rent to 5 or 6 people, our annual fee would then be \$450.

I understand the county is trying to find money to pay for services, and that you are wanting to regulate the STVRs that have unruly guests, lots of traffic and garbage issues, and just don't seem to respect the community in which they exist. Lumping every STVR into the same category just doesn't seem to be the way to resolve that issue. Go after the bad actors, start revoking their licenses when they have multiple violations and let the rest of us just enjoy our homes in the best way we know how. While we may not live here year-round, and only about 200+ residents do, we are a part of our community and should be acknowledged as such.

Vicki Walker
Retired State Senator
vicki@vickiwalker.com

1425 Ranchwood Drive
Eugene, OR 97401
541-954-0272

February 23, 2022

To: Tillamook County Department of Community Development

Re: Proposed Amendment to Ordinance #86

My family has owned property in Neskowin for more than 60 years. I applied and was granted an STR permit during the pandemic. I elected to keep my property out of the rental market during that time period.

I have three concerns with the proposed amendment to charge a flat-rate fee based upon the maximum number of occupants:

1. What if we experience another pandemic or a natural disaster and an owner cannot or chooses not to rent their property? I feel that there should be a provision if no rental income is generated by an STR property so that a fee is not due (similar to the current formula whereby no fee is due if no rentals occur during the quarterly time period)
2. My cottage is just over 500 square feet. My preference is have to have a max of 1-2 people in my property. Is there a way to "downgrade" the maximum number of occupants? I do not feel that it is fair and reasonable to charge an STR owner for more people than actually occupy the property.
3. If I choose to personally occupy my STR property for a period of time, instead of renting it out, why should I have to pay a fee to occupy my own property?

Thanks in advance for your consideration.

Susan Schomburg
4360 Hillsboro Avenue
Neskowin, OR 97149

Lynn Tone

From: Hillary Gibson <hillary.gibson@me.com>
Sent: Wednesday, February 23, 2022 10:19 AM
To: Lynn Tone
Subject: EXTERNAL: Public Comments - Ordinance #86 Amendment

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Greetings Commissioners,
I am writing regarding the proposed amendment to TC Ordinance #86.

Although I don't agree with the Operator Fee itself, I do agree that an annual flat fee is much better than a varying quarterly fee which was calculated very similarly to a tax.

I would like to suggest that owners with inactive permits (no annual rentals) get a waiver so that they are not paying a fee when they have no guests. Under the old structure, with \$0 revenue they had no fee. With the proposed fee being based on max occupancy they will have to pay even if they have no guests.

Side note - I don't agree with the premise of the Operator Fee as it places an imbalanced burden on STR owners to contribute towards public safety initiatives & local housing initiatives (both great initiatives - would just like to see equality in financial support). Regarding public safety - All members of the coastal community benefit from increased patrols and safety initiatives. Property owners, residents, hotels, motels, and day trippers all benefit, but this ordinance requires STR owners to contribute more than anyone else, in addition to the county TLT and state tax. At the very least the hotels & motels should also be assessed an equivalent fee. As far as affordable housing, there is no doubt that there is a multi-faceted housing crisis and Tillamook County's own report attributed this to a low wage economy, scarcity of land with barriers to new builds, tired looking housing stock, and few options for housing mobility (Creating a Healthy Housing Market for Tillamook County, 2017). While STRs play a role in housing mobility, the county found that there is actually very little overlap between the generally higher priced homes in the Coastal Market used as STRs and the more affordable homes in the Interior Market available for affordable housing.

Thank you,
Hillary Gibson

Lynn Tone

From: Pete Stone <psphoto@comcast.net>
Sent: Wednesday, February 23, 2022 9:25 AM
To: Lynn Tone
Subject: EXTERNAL: Re: Proposed Ordinance #86 Amendment

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Dear Commissioners,

As an owner of a Short Term Rental in unincorporated Tillamook County, I have taken note of the fact that the proposed Ordinance #86 revision does NOT apply to any of the Hotels or Motels in Unincorporated Tillamook County, despite those Hotels and Motels obviously benefitting from the Initiatives that this revenue would provide.

The current Hotel/Motel fee structure, separate from the current TLT taxes paid, only requires fees of \$294.25 for 0-25 rooms, and \$410.57 for 25-50 rooms, annually.

The proposed Ordinance #86 change would require me to pay \$750 per year for 10 occupants.

This hardly seems fair, and it would seem the Hotel and Motel industry should share in this having to pay this new fee structure as well.

Thanks,
Pete Stone

Pete Stone
26630 Beach Drive,
Rockaway Beach, Or. 97136

tel: 503-740-6170
email: psphoto@comcast.net

Lynn Tone

From: kcj3pdx@gmail.com
Sent: Tuesday, February 22, 2022 12:08 PM
To: Lynn Tone
Cc: Sarah Absher
Subject: EXTERNAL: Comments in opposition to amendment to County Ordinance #86

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Attn: Lynn Tone, DCD Office Specialist. Please include this communication in the packet provided to the Board. Thank you.

TO: Tillamook County Board of Commissioners

As a long-time property owner in Tillamook County, I urge the Board to reconsider provisions of the proposed amendment to County ordinance #86, which affects the short-term rental license operator fee. I don't understand the rationale of replacing a tax that is related to an owner's income revenue, with a fixed tax that is related to potential occupancy levels of the rental property.

As written the proposed fee structure would penalize home owners who rent their home on a very limited basis, by assessing fees that are unrelated to the amount of rental income. As I understand the proposal, home owner with a rental property with maximum occupancy of 8 persons and annual rental income of \$5,000, would pay \$600 per year in STR rental fee; while another owner with a similar rental property with annual rental income of \$25,000 would also pay \$600 per year in rental fee to the County. One owner pays 12% of their rental income, while the other owner pays 2.4% of their rental income.

While I suppose that rental owners could simply increase the rental rate to recoup the increased fee, that would also place the owner who expects more limited rental income at a market disadvantage.

The proposed amendment penalizes property owners who simply want to offset a portion of their property expenses with limited rental income, and has less impact on those who buy property in order to generate maximum rental income.

While I certainly understand local governments' pressures to increase revenues, I believe that the approach in the proposed amendment is inequitable and economically unsound. I ask you to consider other options to this tax structure, for example increasing the existing lodging tax, or fees that are related to actual rental usage of the property.

Prior to making the above comments, I raised a number of questions in an email to the Department of Community Development in hopes of being able to provide more informed comments to the Board. However, to date I have not received a response, so I have copied my earlier email for your review and consideration.

My email of February 14, 2022:

To: Sarah Absher, CFM Director:

I've owned a house in Neahkahnie for the past 40+ years, and rent it on a limited basis, and received your recent letter re: amendments to County Ordinance #86.

I suspect that the proposed structure would decrease the County's administrative costs, but it would also impose a financial burden on rental property owners that is unrelated to the potential income that they might receive.

I'd appreciate your insights on the following questions.

1. Why is the County proposing replacing the recently enacted short term rental fee structure?
2. What initial expectations of the current fee system were not met?
3. How much revenue was estimated to be produced in 2021 from the current fee structure, and what is the estimate of the annual revenue to be produced from the proposed system?
4. The proposed fee structure would seem to penalized owners who rent their homes on a limited basis for only a few months out of the year, and would penalize owners who experience declining bookings in the future (as may be the case as Covid continues to decline from the levels experienced pre-Covid).
5. Over the past few years, the County has continued to impose new costs to rental property owners and to renters that may depress the volume of rentals going forward. What analysis has the County done that weighs the economic impact on Tillamook businesses of potential depressed rentals, compared to the revenue that the County receives directly from fees and charges to rental property owners and the fees paid directly by the renters?

Thank you very much for your response. I'd like to be better informed in the event that I choose to submit written testimony to the Board by February 23.

Ken Jones

Lynn Tone

From: James C Mayer <mayer8239@comcast.net>
Sent: Saturday, February 19, 2022 1:56 PM
To: Lynn Tone
Subject: EXTERNAL: Amendment to Tillamook County Ordinance #86

[NOTICE: This message originated outside of Tillamook County -- DO NOT CLICK on links or open attachments unless you are sure the content is safe.]

Dear Ms. Tone,

We are owners of a short-term rental cottage in Netarts, OR. Currently, we pay \$50 per quarter for the Operator License Fee. Our rental income for 2021 was under \$8,000.00.

According to the shocking new formula, we would pay \$150.00 per quarter, which is a 200% increase. We wonder why the Tillamook County Board of Commissioners would levy such a regressive fee on "mom and pop" operators, while owners making, for example, \$75,000 per year would pay 25% less, from \$800 to \$600 annually.

If this amendment passes, we may be forced to end our short-term rental operation, and other smaller operators may shutdown, as well.

Sincerely,
James Mayer and Carol Wittwer
1940 Spyglass Terrace (Lot 3)
Netarts, OR

Lynn Tone

From: Mock, Mandy J <mandy.j.mock@intel.com>
Sent: Tuesday, February 15, 2022 8:57 PM
To: Sarah Absher; Lynn Tone
Subject: EXTERNAL: Questions on the proposed amendment to Tillamook County Ordinance #86

[**NOTICE:** This message originated outside of Tillamook County -- **DO NOT CLICK** on links or open **attachments** unless you are sure the content is safe.]

Hi Sarah, Lynn,

We received the notification of the proposed amendment to ordinance #86 now and have a question. Under the current structure, if the house is not currently being used as a short term rental, no license fee is due as the revenue is \$0. Is that true of the new structure as well?

If not, I propose that it should be. There are many circumstances where a house may not be used as a STR for extended periods of time, such as during a remodel or if it is rented to a long term tenant for a while. At the same time, it is desirable to not allow the short term rental license to lapse, as that creates the burden of having to start the whole process again. It seems overly burdensome to ask people to pay for the full occupancy of the house if they aren't bringing in any revenue. If not already included, I would ask that you incorporate a lower or zero fee if the house is not actively being used as a STR.

Please include these comments in the staff report.

Thank you,
Mandy

Lynn Tone

From: Gillian Dyall <kgdyall@gmail.com>
Sent: Tuesday, February 15, 2022 4:57 PM
To: Lynn Tone
Cc: Sarah Absher
Subject: EXTERNAL: Amendment to Ordinance 86

[**NOTICE:** This message originated outside of Tillamook County -- **DO NOT CLICK** on links or open **attachments** unless you are sure the content is safe.]

Thanks for your letter and for including my comments in the packet provided to the Board prior to the 3/2/22 meeting. Would you please reply that you have received this email.

I am a STR owner who supports Ordinance 86 and agree that a simpler way to assess the amount of the fee other than gross quarterly revenue is a good idea.

My question is about how the Maximum Occupancy will be calculated. Our STR home is managed by Vacasa and is rented to a maximum of 7 persons, however the Tillamook County permit I think originally said 11 persons, which is way too many for a 3 bedroom 2 bath 1500 sq foot home. I expect the impact on the neighborhood, parking, and sewer system would be problematic if we allowed that many people and we have always only rented to a maximum of 6-7 persons to keep adverse impact to a minimum.

So my request would be to assess my fee based on the 7 person maximum which is clearly stated on our vacation rental website listing, or can we apply to have our permit limited to 7 persons?

Thanks for your consideration,

Gillian Dyall
51040 Proposal Rock Court, Neskowin

Lynn Tone

From: Leslie Kay <leskayvida@gmail.com>
Sent: Tuesday, February 15, 2022 3:17 PM
To: Sarah Absher; Lynn Tone
Subject: EXTERNAL: Proposed Amendments to STR Operator License Fee-carve out exception for those who rent less than 15 days per year.

[NOTICE: This message originated outside of Tillamook County -- DO NOT CLICK on links or open attachments unless you are sure the content is safe.]

Dear Sarah and Lynn,

I am writing to point out an unintended consequence of the proposed "flat fee" amendment to the STR operator license fee rules.

I have a Tillamook County STR Permit. In the last 4 years I have not rented my home for more than two weeks per year. In the last 2 years I have not rented my home at all because of Covid. I have paid the Tillamook County permit fee for each year. I have owed no TLT or operator fee for the last two years because I have had no revenue from my home.

Under federal tax law there is a special rule for homeowners who do not rent their homes for more than two weeks per year. The income for this two week period is not taxable, but likewise one can take no deductions for expenses or taxes or fees because it is not considered a business <https://www.irs.gov/taxtopics/tc415> Minimal Rental Use

I believe that the proposed flat fee amendments to the operator fee should be consistent with federal law. Otherwise people like myself and others who rent out our homes for less than 15 days per year, but who do not operate as a business will be disproportionately impacted by the proposed flat fee: e.g. I am permitted for 8 people. Under the proposed operator fee scheme

people who rent for less than 2 weeks per year will owe \$250 for the permit + \$600 for the operator fee+ TLT on any revenues. This becomes particularly burdensome in years when one has no revenue at all because of Covid.

Under my status with the Federal IRS we cannot deduct any expenses or taxes or fees. I believe that this proposed flat fee policy will unduly burden people who are trying to comply with the permit fee and operator fee and transient lodging tax rules. The person with 0 income, or minimal income, will pay \$600 for a 8 person rental, and the person with \$20,000 of revenue will pay \$600 for an 8 person rental. Was this scenario considered?

Am I missing something here? I believe that some sort of exception should be carved out of the flat fee scheme for people who are renting less than two weeks/year to correspond with federal tax policy.

Thank you for your consideration of this issue.

Leslie Kay

Lynn Tone

From: Geoffrey Dugan <geoffreydugan@hotmail.com>
Sent: Tuesday, February 15, 2022 2:18 PM
To: Sarah Absher; Lynn Tone
Subject: EXTERNAL: question about proposed STRO License Fee

[**NOTICE:** This message originated outside of Tillamook County -- **DO NOT CLICK** on links or open attachments unless you are sure the content is safe.]

Hi Sarah and Lynn,

I received the letter regarding the Notice of Public Hearings for Amendment to Tillamook County Ordinance #86. I understand that the proposal is a substitution to the method of calculating the Short-Term Rental Operator License Fee that was implemented in July 2021. The proposal has a couple advantages: 1. Simpler to calculate, 2. Fewer fee payments to collect each year, and 3. County control over the fee amount (a big reduction in time chasing property owners).

The question I would like your insight on is how the maximum occupancy is set and where it is maintained. How is that number established and can it be changed?

Thanks,
Geoff