

Portland tacks two new fees on Airbnb-style rentals

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The Portland City Council on Wednesday tacked two new fees on short-term vacation rentals.

The council on Wednesday approved a \$4 a night booking fee, which would go toward housing and homeless initiatives, and an additional 2 percent fee, which would go toward tourism marketing.

They come in addition to 11.5 percent local and 1.8 percent state lodging taxes already collected by Airbnb and other platforms on behalf of the rental operators.

The 2 percent fee is already paid by operators of large hotels throughout the city. The council also removed an exemption for small hotels with fewer than 50 rooms. Together, the changes are expected to raise an additional \$895,000 to \$1,040,000 annually.

The per-night fee for housing initiatives is expected to raise between \$1.1 million and \$1.28 million a year.

The council initially delayed a decision on the per-night fee after Commissioner Amanda Fritz argued it should be assessed as a percentage of the nightly rate.

But Mayor Ted Wheeler later turned the agenda back to the rental fees and called a vote. It passed 3-2, with Fritz and Commissioner Chloe Eudaly against.

"It just doesn't seem equitable that \$15-a-night room would be charged the same as a \$1,200 a night room," she said.

Taken together, Portland's added fees on short-term rentals would be among the highest in the country, city revenue officials said.

It wasn't immediately clear how short-term rental platforms like Airbnb and HomeAway might respond. Discussions among city commissioners and revenue officials revolved around whether the fees could push one or more of the companies to withdraw from Portland, or to mount a legal challenge.

Portland weighs new fees on Airbnb-style rentals

City officials said the nightly booking fee was justified because short-term rentals for tourists have replaced potential housing for long-term residents, contributing to rising rents in recent years.