

Senate Bill 760

Sponsored by COMMITTEE ON RULES (at the request of Oregon Lodging Association)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Instructs units of local government that intend to impose or increase local transient lodging tax to submit proposed tax to Oregon Tourism Commission for analysis of compliance with specified provisions of state law.

A BILL FOR AN ACT

1
2 Relating to local transient lodging taxes; amending ORS 320.350.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 320.350 is amended to read:

5 320.350. (1) A unit of local government that did not impose a local transient lodging tax on July
6 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition
7 of the local transient lodging tax was approved on or before July 1, 2003.

8 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
9 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is
10 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July
11 1, 2003.

12 (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
13 not decrease the percentage of total local transient lodging tax revenues that are actually expended
14 to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local gov-
15 ernment that agreed, on or before July 1, 2003, to increase the percentage of total local transient
16 lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities,
17 must increase the percentage as agreed.

18 (4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is fi-
19 nancing debt with local transient lodging tax revenues on November 26, 2003, must continue to fi-
20 nance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is
21 not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:

22 (a) The local transient lodging tax revenue that financed the debt shall be used as provided in
23 subsection (5) of this section; or

24 (b) The unit of local government shall thereafter eliminate the new tax or increase in tax oth-
25 erwise described in subsection (1) or (2) of this section.

26 (5) Subsections (1) and (2) of this section do not apply to a new or increased local transient
27 lodging tax if all of the net revenue from the new or increased tax, following reductions attributed
28 to collection reimbursement charges, is used consistently with subsection (6) of this section to:

29 (a) Fund tourism promotion or tourism-related facilities;

30 (b) Fund city or county services; or

31 (c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 costs incurred in financing or refinancing that debt, provided that:

2 (A) The net revenue may be used for administrative costs only if the unit of local government
3 provides a collection reimbursement charge; and

4 (B) Upon retirement of the debt, the unit of local government reduces the tax by the amount
5 by which the tax was increased to finance or refinance the debt.

6 (6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall
7 be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent
8 of net revenue from a new or increased local transient lodging tax may be used for the purpose
9 described in subsection (5)(b) of this section.

10 **(7)(a) At least 60 days prior to a vote on the enactment of a new or increased local**
11 **transient lodging tax, the unit of local government that seeks to impose or increase the tax**
12 **shall submit the proposed tax to the Oregon Tourism Commission.**

13 **(b) Within 45 days of receipt of the proposed tax, the commission shall deliver a report**
14 **to the unit of local government that describes the commission's conclusions regarding**
15 **whether the proposed tax complies with ORS 320.300 to 320.350.**

16 **(c) The report prepared by the commission is not binding on the unit of local government.**
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