

Senate Bill 440

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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**.

Removes requirement that 70 percent of revenues from new or increased local transient lodging tax be used to fund tourism promotion or tourism-related facilities.

Applies to local transient lodging taxes imposed on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation; creating new provisions; amending ORS 320.350; and prescribing an effective
3 date.

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

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

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

9 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
10 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is
11 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July
12 1, 2003.

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

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

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

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

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

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

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 (b) Fund city or county services; or

2 (c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative
3 costs incurred in financing or refinancing that debt, provided that:

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

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

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

12 **SECTION 2. The amendments to ORS 320.350 by section 1 of this 2009 Act apply to local**
13 **transient lodging taxes imposed on or after the effective date of this 2009 Act.**

14 **SECTION 3. This 2009 Act takes effect on the 91st day after the date on which the reg-**
15 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

16