

# Senate Bill 307

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## 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**.

Expands allowable purposes for new or increased local transient lodging tax to include funding of tourism-related services.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to local transient lodging tax; amending ORS 320.300 and 320.350; and prescribing an ef-  
3 fective 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 **or tourism-related services**;

**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  
11 described in subsection (5)(b) of this section.

12 **SECTION 2.** ORS 320.300 is amended to read:

13 320.300. As used in ORS 320.300 to 320.350:

14 (1) "Collection reimbursement charge" means the amount a transient lodging provider may re-  
15 tain as reimbursement for the costs incurred by the provider in collecting and reporting a transient  
16 lodging tax and in maintaining transient lodging tax records.

17 (2) "Conference center" means a facility that:

18 (a) Is owned or partially owned by a unit of local government, a governmental agency or a  
19 nonprofit organization; and

20 (b) Meets the current membership criteria of the International Association of Conference Cen-  
21 ters.

22 (3) "Convention center" means a new or improved facility that:

23 (a) Is capable of attracting and accommodating conventions and trade shows from international,  
24 national and regional markets requiring exhibition space, ballroom space, meeting rooms and any  
25 other associated space, including but not limited to banquet facilities, loading areas and lobby and  
26 registration areas;

27 (b) Has a total meeting room and ballroom space between one-third and one-half of the total size  
28 of the center's exhibition space;

29 (c) Generates a majority of its business income from tourists;

30 (d) Has a room-block relationship with the local lodging industry; and

31 (e) Is owned by a unit of local government, a governmental agency or a nonprofit organization.

32 (4) "Local transient lodging tax" means a tax imposed by a unit of local government on the sale,  
33 service or furnishing of transient lodging.

34 (5) "State transient lodging tax" means the tax imposed under ORS 320.305.

35 (6) "Tourism" means economic activity resulting from tourists.

36 (7) "Tourism promotion" means any of the following activities:

37 (a) Advertising, publicizing or distributing information for the purpose of attracting and wel-  
38 coming tourists;

39 (b) Conducting strategic planning and research necessary to stimulate future tourism develop-  
40 ment;

41 (c) Operating tourism promotion agencies; and

42 (d) Marketing special events and festivals designed to attract tourists.

43 (8) "Tourism promotion agency" includes:

44 (a) An incorporated nonprofit organization or governmental unit that is responsible for the  
45 tourism promotion of a destination on a year-round basis.

1 (b) A nonprofit entity that manages tourism-related economic development plans, programs and  
2 projects.

3 (c) A regional or statewide association that represents entities that rely on tourism-related  
4 business for more than 50 percent of their total income.

5 (9) "Tourism-related facility":

6 (a) Means a conference center, convention center or visitor information center; and

7 (b) Means other improved real property that has a useful life of 10 or more years and has a  
8 substantial purpose of supporting tourism or accommodating tourist activities.

9 **(10) "Tourism-related services" means services provided by a city or county that have a**  
10 **substantial purpose of supporting tourism or accommodating tourist activities.**

11 [(10)] (11) "Tourist" means a person who, for business, pleasure, recreation or participation in  
12 events related to the arts, heritage or culture, travels from the community in which that person is  
13 a resident to a different community that is separate, distinct from and unrelated to the person's  
14 community of residence, and that trip:

15 (a) Requires the person to travel more than 50 miles from the community of residence; or

16 (b) Includes an overnight stay.

17 [(11)] (12) "Transient lodging" means:

18 (a) Hotel, motel and inn dwelling units that are used for temporary overnight human occupancy;

19 (b) Spaces used for parking recreational vehicles or erecting tents during periods of human oc-  
20 cupancy; or

21 (c) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any  
22 of these dwelling units, that are used for temporary human occupancy.

23 [(12)] (13) "Unit of local government" has the meaning given that term in ORS 190.003.

24 [(13)] (14) "Visitor information center" means a building, or a portion of a building, the main  
25 purpose of which is to distribute or disseminate information to tourists.

26 **SECTION 3. This 2011 Act takes effect on the 91st day after the date on which the 2011**  
27 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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