

D R A F T

SUMMARY

Increases state transient lodging tax rate. Requires 50 percent of increased revenue to be distributed to Travel Oregon to promote cultural tourism to Oregon in markets outside Oregon and 50 percent to be used by Oregon Tourism Commission to award grants to bring to Oregon shows or artists from outside Oregon.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cultural tourism in Oregon; creating new provisions; amending
3 ORS 284.131 and 320.305; prescribing an effective date; and providing for
4 revenue raising that requires approval by a three-fifths majority.

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

6 **SECTION 1.** ORS 320.305 is amended to read:

7 320.305. (1) A tax of [*one*] _____ percent is imposed on any consideration
8 rendered for the sale, service or furnishing of transient lodging. The tax
9 imposed by this subsection shall be in addition to and not in lieu of any local
10 transient lodging tax. The tax shall be collected by the transient lodging
11 provider.

12 (2) The transient lodging provider shall withhold five percent of the
13 amount the provider collects under subsection (1) of this section for the
14 purpose of reimbursing the provider for the cost of tax collection, record
15 keeping and reporting.

16 **SECTION 2.** **The amendments to ORS 320.305 by section 1 of this**
17 **2013 Act apply to consideration rendered on or after the effective date**
18 **of this 2013 Act for the sale, service or furnishing of transient lodging.**

1 **SECTION 3.** ORS 284.131 is amended to read:

2 284.131. (1) All moneys collected, received by or appropriated to the
3 Oregon Tourism Commission must be deposited into an account established
4 by the commission in a depository bank insured by the Federal Deposit In-
5 surance Corporation. In a manner consistent with the requirements of ORS
6 chapter 295, the chair of the commission shall ensure that sufficient collat-
7 eral secures any amount of funds on deposit that exceeds the limits of the
8 Federal Deposit Insurance Corporation's coverage.

9 (2) Subject to the approval of the chair, the commission may invest mon-
10 eys collected or received by the commission. Investments made by the com-
11 mission must be limited to investments described in ORS 294.035 (3)(a) to (i).

12 (3) Interest earned on any moneys invested under subsection (2) of this
13 section must be made available to the commission in a manner consistent
14 with the biennial budget of the commission.

15 (4) **Except as provided in subsection (5) of this section,** the commis-
16 sion shall spend state transient lodging tax moneys appropriated to the
17 commission under ORS 320.335 as follows:

18 (a) At least 80 percent must be used to fund state tourism marketing
19 programs.

20 (b) As much as 15 percent must be used to implement a regional cooper-
21 ative tourism marketing program that:

22 (A) Requires fund allocations to focus on creating new business from
23 out-of-state and international markets;

24 (B) Utilizes a regional allocation formula that distributes revenue to re-
25 gions, the boundaries of which are established by the commission, in pro-
26 portion to the amount of transient lodging tax revenues collected in each
27 region;

28 (C) Distributes revenue to recipients that are selected by the commission
29 as organizations able to conduct tourism-related marketing for each region;

30 (D) Requires advertising, publications, CD-ROMs, websites, videos and
31 other tourism promotion materials funded through the regional cooperative

1 tourism marketing program to carry the Oregon Tourism Commission logo
2 and marketing tag line; and

3 (E) Encourages funding recipients to incorporate design elements from
4 commission advertising and promotional campaigns, such as fonts, images
5 and other design elements.

6 **(5)(a) Any amount of tax on transient lodging that is imposed under**
7 **ORS 320.305 in an amount in excess of one percent of the consideration**
8 **rendered and appropriated to the commission under ORS 320.335 shall**
9 **be spent in the manner prescribed in paragraph (b) of this subsection.**

10 **(b)(A) Fifty percent of the amount described in paragraph (a) of this**
11 **subsection shall be distributed to Travel Oregon for the purpose of**
12 **promoting cultural tourism to Oregon in markets outside the state.**

13 **(B) Fifty percent of the amount described in paragraph (a) of this**
14 **subsection shall be deposited by the commission in a separate account**
15 **that conforms to the requirements of subsection (1) of this section and**
16 **shall be used by the commission to award competitive grants to**
17 **nonprofit arts organizations in Oregon for the purpose of bringing to**
18 **Oregon shows or artists from outside the state. The awards may not**
19 **be used to fund the operations of the nonprofit arts organizations that**
20 **receive grants under this subparagraph.**

21 **(c) The commission may adopt rules to establish procedures and**
22 **standards for distributions and awards made under this subsection.**

23 ~~[(5)]~~ **(6) All moneys in the account that are not state transient lodging**
24 **tax revenues are continuously appropriated to the commission for the pur-**
25 **poses of carrying out the functions of the commission.**

26 ~~[(6)]~~ **(7) All expenditures from the account are exempt from any state ex-**
27 **penditure limitation.**

28 **SECTION 4. This 2013 Act takes effect on the 91st day after the date**
29 **on which the 2013 regular session of the Seventy-seventh Legislative**
30 **Assembly adjourns sine die.**

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