

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2656**

1 On page 4 of the printed A-engrossed bill, delete lines 22 through 45.

2 On page 5, delete lines 1 through 20 and insert:

3 **SECTION 10.** ORS 320.350 is amended to read:

4 “320.350. (1) A unit of local government that did not impose a local  
5 transient lodging tax on July 1, 2003, may not impose a local transient  
6 lodging tax on or after July 2, 2003, unless the imposition of the local tran-  
7 sient lodging tax was approved on or before July 1, 2003.

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

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

20 “(4) Notwithstanding subsections (1) and (2) of this section, a unit of local  
21 government that is financing debt with local transient lodging tax revenues  
22 on November 26, 2003, must continue to finance the debt until the retirement

1 of the debt, including any refinancing of that debt. If the tax is not otherwise  
2 permitted under subsection (1) or (2) of this section, at the time of the debt  
3 retirement:

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

6 “(b) The unit of local government shall thereafter eliminate the new tax  
7 or increase in tax otherwise described in subsection (1) or (2) of this section.

8 “(5)(a) Subsections (1) and (2) of this section do not apply to a [*new or*  
9 *increased*] local transient lodging tax **that is newly imposed or renewed**  
10 **at the same or an increased rate if the tax is approved by a majority**  
11 **of voters of the local government at a primary or general election held**  
12 **in an even-numbered year and** all of the net revenue from the [*new or*  
13 *increased*] tax, following reductions attributed to collection reimbursement  
14 charges, is used consistently with subsection (6) of this section to:

15 “[*a*] (A) Fund tourism promotion or tourism-related facilities;

16 “[*b*] (B) Fund city or county services; or

17 “[*c*] (C) Finance or refinance the debt of tourism-related facilities and  
18 pay reasonable administrative costs incurred in financing or refinancing that  
19 debt, provided that:

20 “[*A*] (i) The net revenue may be used for administrative costs only if the  
21 unit of local government provides a collection reimbursement charge; and

22 “[*B*] (ii) Upon retirement of the debt, the unit of local government re-  
23 duces the tax by the amount by which the tax was increased to finance or  
24 refinance the debt.

25 “(b) **The imposition, or renewal at the same or an increased rate,**  
26 **of a local transient lodging tax may be placed on the ballot by:**

27 “(A) **Referral of the question by a two-thirds majority of the gov-**  
28 **erning body of the local government; or**

29 “(B) **Initiative petition of the people of the local government.**

30 “(6) At least 70 percent of net revenue from a [*new or increased*] local

1 transient lodging tax **imposed pursuant to subsection (5) of this section**  
2 shall be used for the purposes described in subsection [(5)(a) or (c)] **(5)(a)(A)**  
3 **or (C)** of this section. No more than 30 percent of net revenue from [*a new*  
4 *or increased*] **the** local transient lodging tax may be used for the purpose  
5 described in subsection [(5)(b)] **(5)(a)(B)** of this section.

6 “**(7)(a)(A) A local transient lodging tax must be computed on the**  
7 **total retail price, including all charges other than taxes, paid by a**  
8 **person for occupancy of the transient lodging.**”

9 “**(B) The total retail price paid by a person for occupancy of tran-**  
10 **sient lodging that is part of a travel package may be determined by**  
11 **reasonable and verifiable standards from books and records kept in the**  
12 **ordinary course of the transient lodging tax collector’s business.**”

13 “**(b) The tax shall be collected by the transient lodging tax collector**  
14 **that receives the consideration rendered for occupancy of the transient**  
15 **lodging.**”

16 “**(8) A local transient lodging tax may not be imposed for a period**  
17 **exceeding four years.**”

18 On page 6, delete lines 12 through 14 and insert:

19 “**SECTION 13. (1) The amendments to ORS 320.300, 320.305, 320.310,**  
20 **320.315, 320.320, 320.325, 320.330, 320.345 and 320.347 by sections 3 to 9,**  
21 **11 and 12 of this 2013 Act and the amendments to ORS 320.350 by sec-**  
22 **tion 10 of this 2013 Act other than the amendments described in sub-**  
23 **sections (2) and (3) of this section apply to transient lodging occupied**  
24 **on or after the effective date of this 2013 Act.**”

25 “**(2) The amendments to ORS 320.350 by section 10 of this 2013 Act**  
26 **relating to local approval of local transient lodging taxes apply to local**  
27 **transient lodging taxes that have not been imposed or increased before**  
28 **the effective date of this 2013 Act.**”

29 “**(3)(a) The amendments to ORS 320.350 by section 10 of this 2013**  
30 **Act relating to the four-year limit on, and renewal of, local transient**”

1 **lodging taxes apply to local transient lodging taxes imposed before, on**  
2 **or after the effective date of this 2013 Act.**

3 **“(b) Notwithstanding paragraph (a) of this subsection, a local**  
4 **transient lodging tax that would have expired before the primary or**  
5 **general election next following the effective date of this 2013 Act if the**  
6 **amendments described in paragraph (a) of this subsection had been in**  
7 **effect, expires only if not renewed in the manner prescribed under ORS**  
8 **320.350 (8) at the primary or general election next following the effec-**  
9 **tive date of this 2013 Act.”.**

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