

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date: 02/15/16

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 02/05, 02/08, 02/11, 02/15

Vote:

Yeas: 5 - Barnhart, Helm, Lininger, Nosse, Smith Warner

Nays: 3 - Bentz, Johnson, Whitsett

Exc: 1 - Davis

Prepared By: Mazen Malik, Senior Economist

WHAT THE MEASURE DOES:

Increases state transient lodging tax rate to 2% from the current 1%. Requires Oregon Tourism Commission to spend 15 percent of state transient lodging tax revenues rather than current “as much as 15 percent” to implement regional cooperative tourism program. Broadens type of programs for which appropriated state transient lodging tax moneys may be spent from “tourism marketing programs” to “tourism programs.”

ISSUES DISCUSSED:

- Background and history.
- The 2021 field and track games in Eugene.
- Local governments needs.
- What are the regional issue and needs of tourism funds.
- Different ways of considering it.
- Taskforce to look into the issues.
- Regional distributions.

EFFECT OF COMMITTEE AMENDMENT:

The amendment changes the operative date, adds a 15% regional distribution. Establishes a work group led by LRO to study issues of distribution to regions, collaboration with locals and collection enforcement. The workgroup to report by September 2016. Requires the Tourism Commission to submit reports to LFO, and to report on expenditure and grants greater than \$2 million to the Legislative Fiscal Office.

BACKGROUND:

In 2003, the Legislative Assembly (HB 2267) decided to designate the Oregon Tourism Commission a stand-alone agency. The same legislative action established a statewide one percent transient lodging tax to help fund the tourism commission. Under the 2003 law the Legislature defined transient lodging in ORS 320 as “hotel, motel and inn dwelling units that are designed for temporary overnight human occupancy, and [which] includes spaces designed for parking recreational vehicles during periods of human occupancy of those vehicles.” The law requires the Oregon Tourism Commission to spend at least 80 percent of lodging tax net receipts on state tourism marketing programs and up to 15 percent of net receipts on regional tourism marketing programs. The 2005 Legislative Assembly (HB 2197) expanded the definition of transient lodging to include dwelling units used for temporary human occupancy. Temporary is defined as fewer than 30 days at a time. Most recently, the 2013 Legislative Assembly (HB 2656) clarified circumstances under which a transient lodging intermediary rather than a lodging provider would be the entity responsible for collecting and remitting transient lodging taxes. A transient lodging

intermediary is defined as “a person other than a transient lodging provider that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging.” Transient lodging intermediaries include online travel companies, travel agents, and tour outfitter companies, among others. Eighty four cities and fifteen counties in Oregon levy a locally administered transient lodging tax and are also included in that definition. Online Travel Companies (OTC) will have to collect the tax based on the final price that the consumer pays.