

D R A F T

SUMMARY

Authorizes coastal county to impose local transient lodging tax on residential short-term vacation rental property by submitting question to county electors. Requires revenue to be made available to community development corporation or county housing authority for purposes of funding housing in coastal communities in county.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to local transient lodging taxes in coastal counties; creating new
3 provisions; amending ORS 320.350; and prescribing an effective date.

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

5 **SECTION 1. (1) Notwithstanding ORS 320.350, a county located on**
6 **the Pacific Ocean may impose a local transient lodging tax of up to**
7 **five percent on any consideration rendered for the sale, service or**
8 **furnishing of transient lodging in residential short-term vacation**
9 **rental property by submitting the question of the tax, including the**
10 **rate, to the electors of the county.**

11 **(2) A tax imposed pursuant to this section is not subject to the use**
12 **restrictions of ORS 320.350 (5) and (6).**

13 **(3) Revenue from a tax imposed pursuant to this section shall be:**

14 **(a) Made available to a community development corporation as de-**
15 **scribed in ORS 458.210 that includes the county in its geographic ser-**
16 **vice area or to a housing authority of the county; and**

17 **(b) Used to fund affordable housing in coastal communities within**
18 **the county.**

1 **SECTION 2.** ORS 320.350 is amended to read:

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

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

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

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

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

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

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

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

2 (b) Fund city or county services; or

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

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

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

11 (6) At least 70 percent of net revenue from a new or increased local
12 transient lodging tax shall be used for the purposes described in subsection
13 (5)(a) or (c) of this section. No more than 30 percent of net revenue from a
14 new or increased local transient lodging tax may be used for the purpose
15 described in subsection (5)(b) of this section.

16 [(7)(a)(A) *A local transient lodging tax must be computed on the total retail*
17 *price, including all charges other than taxes, paid by a person for occupancy*
18 *of the transient lodging.*]

19 [(B) *The total retail price paid by a person for occupancy of transient*
20 *lodging that is part of a travel package may be determined by reasonable and*
21 *verifiable standards from books and records kept in the ordinary course of the*
22 *transient lodging tax collector's business.*]

23 [(b) *The tax shall be collected by the transient lodging tax collector that*
24 *receives the consideration rendered for occupancy of the transient lodging.*]

25 **SECTION 3. (1)(a) A local transient lodging tax imposed pursuant**
26 **to ORS 320.350 or section 1 of this 2017 Act must be computed on the**
27 **total retail price, including all charges other than taxes, paid by a**
28 **person for occupancy of the transient lodging.**

29 **(b) The total retail price paid by a person for occupancy of transient**
30 **lodging that is part of a travel package may be determined by rea-**
31 **sonable and verifiable standards from books and records kept in the**

1 ordinary course of the transient lodging tax collector's business.

2 (2) The tax shall be collected by the transient lodging tax collector
3 that receives the consideration rendered for occupancy of the transient
4 lodging.

5 SECTION 4. Sections 1 and 3 of this 2017 Act are added to and made
6 a part of ORS 320.300 to 320.350.

7 SECTION 5. This 2017 Act takes effect on the 91st day after the date
8 on which the 2017 regular session of the Seventy-ninth Legislative
9 Assembly adjourns sine die.

10