

HB 2744 STAFF MEASURE SUMMARY

House Committee On Economic Development and Trade

Prepared By: Adam Crawford, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/22

WHAT THE MEASURE DOES:

Adds improvements to real property that have the substantial purpose of supporting, promoting or accommodating tourism or tourist activities to the definition of "tourism-related facility." Allows the costs of maintenance of tourism-related facilities as a permissible expenditure for a new or increased local transient lodging tax. Provides that local governments may not decrease the percentage of grandfathered local transient lodging tax revenues actually expended to fund tourism promotion or tourism-related facilities below the percentage actually expended as of July 2, 2003. Repeals requirement that local governments that agreed on or before July 1, 2003 to increase percentage of local transient lodging tax revenues expended to fund tourism promotion or tourism-related facilities must increase the percentage as agreed. Takes effect on 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

As of 2015, 85 of Oregon's 242 cities and 15 of the 36 counties had a local transient lodging tax (TLT). While the TLT tax rates vary, under current Oregon law a local government may not decrease the percentage of TLT revenues that were expended or agreed to be expended to fund tourism promotion or tourism-related facilities. If a local government increases their lodging tax or imposes a new tax, 70 percent of the net revenue must be used for tourism promotion or tourism-related facilities or to finance debt of tourism-related facilities. The remaining 30% may be used to fund other services in the city or county.

House Bill 2744 would add improvements to real property which support, promote, or accommodate tourism to the definition of tourism-related facilities. The measure would also add maintenance costs relating to tourism-related facilities as a permissible way for new or increased lodging taxes. House Bill 2744 would also repeal the requirement that local governments that agreed on or before July 1, 2003 to increase percentage of TLT revenues expended to fund tourism promotion or tourism-related facilities must increase the percentage as agreed.