

## HB 2049 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Meeting Dates:** 2/13

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#### **WHAT THE MEASURE DOES:**

Expands definition of “transient lodging intermediary” to include person that requires transient lodging provider to use specific third-party entity to collect consideration for occupancy of transient lodging. Provides that, if consideration for transient lodging is rendered in kind, tax must be computed on real market value of consideration as of date consideration is rendered.

Authorizes Department of Revenue to hold transient lodging provider, including each and every owner, and any transient lodging intermediary jointly and severally liable for any transient lodging tax with respect to transient lodging transaction.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

#### **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. HB 4146 (2015) Increased state transient lodging tax rate from 1 percent to 1.8% till end of June 2020, the rate goes down to 1.5% from that date on. Changes the distribution of revenue from a discretionary amount with a ceiling of 15% to two categories for regional development. Allocates 20% of revenue to the (first) category for regional development, and 10 % to the (second) category consisting of grants to regional tourism efforts. The 2015 legislation also required reports and established a study group led by LRO.