

House Bill 3260

Sponsored by COMMITTEE ON HUMAN SERVICES AND HOUSING

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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 provisions; amending ORS
3 320.350; 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 the Pacific Ocean may**
6 **impose a local transient lodging tax of up to five percent on any consideration rendered for**
7 **the sale, service or furnishing of transient lodging in residential short-term vacation rental**
8 **property by submitting the question of the tax, including the rate, to the electors of the**
9 **county.**

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

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

13 (a) Made available to a community development corporation as described in ORS 458.210
14 that includes the county in its geographic service area or to a housing authority of the
15 county; and

16 (b) Used to fund affordable housing in coastal communities within the county.

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

18 320.350. (1) A unit of local government that did not impose a local transient lodging tax on July
19 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition
20 of the local transient lodging tax was approved on or before July 1, 2003.

21 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
22 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is
23 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July
24 1, 2003.

25 (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
26 not decrease the percentage of total local transient lodging tax revenues that are actually expended
27 to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local gov-
28 ernment that agreed, on or before July 1, 2003, to increase the percentage of total local transient
29 lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities,
30 must increase the percentage as agreed.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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

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

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

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

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

(b) Fund city or county services; or

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

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

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

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

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

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

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

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

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

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

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

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