Senate Bill 457

Sponsored by Senator THOMSEN (Presession filed.)

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.**

Provides that certain small cities that imposed grandfathered local transient lodging tax may use net revenue from newly imposed or increased local transient lodging tax in same percentages and for same purposes as net revenue from grandfathered local transient lodging tax.

Takes effect on 91st day following adjournment sine die.

1 **A BILL FOR AN ACT**

2 Relating to local transient lodging tax revenue; creating new provisions; amending ORS 320.350; and

3 prescribing an effective date.

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

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

6 320.350. (1) A unit of local government that did not impose a local transient lodging tax on July

7 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition

8 of the local transient lodging tax was approved on or before July 1, 2003.

9 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may

10 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is

11 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July

12 1, 2003.

13 (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may

14 not decrease the percentage of total local transient lodging tax revenues that are actually expended

15 to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local gov-

16 ernment that agreed, on or before July 1, 2003, to increase the percentage of total local transient

17 lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities,

18 must increase the percentage as agreed.

19 (4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is fi-

20 nancing debt with local transient lodging tax revenues on November 26, 2003, must continue to fi-

21 nance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is

22 not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:

23 (a) The local transient lodging tax revenue that financed the debt shall be used as provided in

24 subsection (5) of this section; or

25 (b) The unit of local government shall thereafter eliminate the new tax or increase in tax oth-

26 erwise described in subsection (1) or (2) of this section.

27 (5) Subsections (1) and (2) of this section do not apply to a new or increased local transient

28 lodging tax if all of the net revenue from the new or increased tax, following reductions attributed

29 to collection reimbursement charges, is used consistently with subsection (6) of this section to:

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

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.

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1   (b) Fund city or county services; or

2   (c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative

3 costs incurred in financing or refinancing that debt, provided that:

4   (A) The net revenue may be used for administrative costs only if the unit of local government

5 provides a collection reimbursement charge; and

6   (B) Upon retirement of the debt, the unit of local government reduces the tax by the amount

7 by which the tax was increased to finance or refinance the debt.

8   (6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall

9 be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent

10 of net revenue from a new or increased local transient lodging tax may be used for the purpose

11 described in subsection (5)(b) of this section.

12   [*(7)(a)(A) A local transient lodging tax must be computed on the total retail price, including all*

13 *charges other than taxes, paid by a person for occupancy of the transient lodging.*]

14   [*(B) The total retail price paid by a person for occupancy of transient lodging that is part of a*

15 *travel package may be determined by reasonable and verifiable standards from books and records kept*

16 *in the ordinary course of the transient lodging tax collector's business.*]

17   [*(b) The tax shall be collected by the transient lodging tax collector that receives the consideration*

18 *rendered for occupancy of the transient lodging.*]

19   **(7) Notwithstanding subsections (5) and (6) of this section, a city with a population of less**

20 **than 10,000 that imposed a local transient lodging tax on July 1, 2003, may use net revenue**

21 **from a local transient lodging tax newly imposed or increased on or after July 2, 2003, in the**

22 **same percentages and for the same purposes as net revenue from the local transient lodging**

23 **tax in effect on July 1, 2003.**

24   **SECTION 2. (1)(a) A local transient lodging tax must be computed on the total retail**

25 **price, including all charges other than taxes, paid by a person for occupancy of the transient**

26 **lodging.**

27   **(b) The total retail price paid by a person for occupancy of transient lodging that is part**

28 **of a travel package may be determined by reasonable and verifiable standards from books**

29 **and records kept in the ordinary course of the transient lodging tax collector's business.**

30   **(2) The tax shall be collected by the transient lodging tax collector that receives the**

31 **consideration rendered for occupancy of the transient lodging.**

32   **SECTION 3. This 2017 Act takes effect on the 91st day after the date on which the 2017**

33 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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