

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Rep. Greg Smith, House Co-Vice Chair

To: General Government Subcommittee

From: John Borden, Legislative Fiscal Office

Date: June 10, 2019

Subject: HB 3136 - Relating to the administration of local transient lodging taxes by the Department of Revenue

HB 3136 relates to the administration of local transient lodging taxes by the Department of Revenue (DOR). The focus of the measure is to improve local transient lodging tax compliance, but whose ancillary impact may result in improved compliance of the state transient lodging tax. The measure is uniquely structured to provide the cash flow needed to fund DOR startup costs. The measure includes the following general provisions:

- A one-time, capped diversion of transient lodging tax intermediary retainage to fund DOR startup or infrastructure costs associated with the state administration of local transient lodging taxes;
- Transfer or distribution of the state lodging tax to the Oregon Tourism Commission may be temporarily delayed to fund DOR's startup or infrastructure costs. Any delayed distribution will result in a two-percent interest charge that that is to be funded from transient lodging tax intermediary retainage, noted above.
- The DOR infrastructure investment will allow local entities the option to enter into an agreement with DOR, as provided under current law, for DOR to administer their local transient lodging taxes; and
- Directs DOR to contract with a private vendor to collect online data for a small pilot program to enhance local and possibly state transient lodging tax compliance.

A preliminary budget report, fiscal impact statement, and revenue impact are available on the Oregon Legislative Information System (OLIS).

There is a -A4 amendment that provides Other Funds expenditure limitation for the Departmental Revenue to implement the measure.

Recommended Changes

LFO recommends adoption of the -A4 amendment.

MOTION: I move adoption of the -A4 amendment to HB 3136. (VOTE)

Final Subcommittee Action

LFO recommends that HB 3136, as amended by the -A4 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 3136, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____