

**SB 595 STAFF MEASURE SUMMARY**

**Senate Committee On Housing**

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**Action Date:** 03/04/19

**Action:** Do pass and refer to Finance and Revenue by prior reference.

**Vote:** 3-1-1-0

**Yeas:** 3 - Fagan, Golden, Monnes Anderson

**Nays:** 1 - Knopp

**Exc:** 1 - Heard

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** C. Ross, LPRO Analyst

**Meeting Dates:** 2/18, 3/4

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**WHAT THE MEASURE DOES:**

Allows up to 30 percent of net revenue from existing local transient lodging tax to be used for housing for individuals with annual incomes at or below 125 percent of the local median income. Takes effect 91st day after adjournment *sine die*.

**ISSUES DISCUSSED:**

- Lack of affordable housing; workforce unable to live in communities where they work
- Tourism as an economic driver in Oregon, particularly along the coast
- Impact of expensive, short-term rental market on supply and availability of affordable housing
- Difficulty with fair enforcement and collection of transient lodging tax

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The transient lodging tax is a tax imposed on hotels and motels, spaces for recreational vehicles and tents, and other dwelling units that are occupied overnight or on a temporary basis. It is primarily used to promote tourism and may also be used to fund local services. Currently, at least 70 percent of the net revenue from new or increased transient lodging taxes must be used to support tourism and up to 30 percent may be used for local services.

Senate Bill 595 shifts the percentage of net revenue from the transient lodging tax that must be used for tourism from at least 70 to at least 40 percent, to allow up to 30 percent to be used for affordable workforce housing.