

Enrolled
House Bill 3136

Sponsored by Representatives MARSH, GOMBERG; Representative FINDLEY, Senator KNOPP

CHAPTER

AN ACT

Relating to the administration of local transient lodging taxes by the Department of Revenue; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS 320.345 to 320.350.

SECTION 2. (1) The Department of Revenue shall collect the local transient lodging taxes that the department collects for units of local government, pursuant to agreements entered into under ORS 305.620, on a local level rather than a regional level.

(2) The department shall adopt rules for purposes of implementing this section.

SECTION 3. (1) Notwithstanding ORS 320.335, for the biennium beginning July 1, 2019, in order to fund the actual start-up costs incurred by the Department of Revenue in collecting local transient lodging taxes in the manner described in section 2 of this 2019 Act, the department shall withhold state transient lodging tax moneys that would otherwise be transferred to the Oregon Tourism Commission under ORS 320.335 (2) in an amount not to exceed \$900,000.

(2)(a) In order to reimburse the commission for the moneys withheld under subsection (1) of this section, plus two percent interest per annum, the department shall transfer to the commission, in addition to the transfers required under ORS 320.335 (2), the amount of state and local transient lodging tax moneys received by the department that would have been withheld by transient lodging intermediaries as a collection reimbursement charge under ORS 320.305 (2) and 320.345 but for the disallowance of such charges under paragraph (b) of this subsection.

(b) Notwithstanding ORS 320.305 (2) and 320.345, a transient lodging intermediary may not withhold any amount of state or local transient lodging taxes reported to the department as a collection reimbursement charge until the date specified in subsection (4) of this section.

(3) Beginning on the day immediately following the date on which the department has withheld the lesser of the actual start-up costs described in subsection (1) of this section or \$900,000, the department shall cease withholding moneys in the manner described in subsection (1) of this section.

(4) Beginning on the day immediately following the date on which the department has transferred to the commission the total amount of the reimbursement required under subsection (2)(a) of this section, transient lodging intermediaries may resume withholding collection reimbursement charges from state and local transient lodging taxes reported to the department as provided in ORS 320.305 (2) and 320.345.

(5)(a) The department shall refund, without interest, any amounts of state and local transient lodging taxes received from transient lodging intermediaries pursuant to subsection (2)(a) of this section that exceed the total amount of the reimbursement required under subsection (2)(a) of this section.

(b) The refunds required by paragraph (a) of this subsection shall be made in fair and proportionate amounts to transient lodging intermediaries that would have withheld amounts of state and local transient lodging taxes as a collection reimbursement charge but for the disallowance of such charges under subsection (2)(b) of this section.

(c) The department may prescribe the method for making any determination required under this subsection.

(6) As used in this section, “collection reimbursement charge,” “local transient lodging tax,” “state transient lodging tax” and “transient lodging intermediary” have the meanings given those terms in ORS 320.300.

SECTION 4. (1) Section 3 of this 2019 Act is repealed on the day immediately following the day described in section 3 (4) of this 2019 Act.

(2) The Department of Revenue shall notify the Legislative Counsel as soon as practicable after the day described in subsection (1) of this section.

SECTION 5. (1) For the purpose of enforcing the state transient lodging tax, the Department of Revenue shall purchase access to raw metadata scraped from the Internet that relates to the sale, service or furnishing of transient lodging.

(2)(a) The department shall implement an enhanced data-scraping pilot program for the purpose of enforcing the state and local transient lodging taxes.

(b) The pilot program shall include at least two and not more than four units of local government for which the department enforces the local transient lodging tax pursuant to agreements entered into under ORS 305.620.

(c) The department shall prescribe the data that may be made available to the units of local government.

(d) ORS 305.620 (5) does not apply to costs related to the pilot program incurred by the department.

(3) As used in this section, “local transient lodging tax,” “state transient lodging tax” and “unit of local government” have the meanings given those terms in ORS 320.300.

SECTION 6. Section 5 of this 2019 Act is repealed on January 2, 2023.

SECTION 7. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter _____, Oregon Laws 2019 (Enrolled House Bill 5033), for the biennium beginning July 1, 2019, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue, is increased by \$158,533 for implementation of this 2019 Act by the Business Division.

SECTION 8. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (10), chapter _____, Oregon Laws 2019 (Enrolled House Bill 5033), for the biennium beginning July 1, 2019, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Department of Revenue, is increased by \$416,000 for the core systems replacement for implementation of this 2019 Act.

SECTION 9. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

Passed by House June 24, 2019

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 29, 2019

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2019

Approved:

.....M,....., 2019

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2019

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Bev Clarno, Secretary of State