

A-Engrossed
House Bill 3136

Ordered by the House May 23
Including House Amendments dated May 23

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

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.

[Requires Oregon Tourism Commission to transfer moneys to Department of Revenue for department's use in collecting local transient lodging taxes on local, rather than regional, level on behalf of units of local government.] **Requires Department of Revenue to collect, on local rather than regional level, local transient lodging taxes that department collects under agreements with units of local government. Requires department to fund actual start-up costs for collection on local level by withholding, in amount not to exceed \$900,000, state transient lodging tax moneys that would otherwise be transferred to Oregon Tourism Commission.** Requires department to reimburse commission, *[without]* **with** interest, from reimbursement charges that would be withheld from state **and local** transient lodging tax revenues by transient lodging intermediaries but for disallowance of such charges under Act. *[Provides that reimbursement of commission shall be made pursuant to repayment schedule agreed to by department and commission prior to transfer of moneys to department.]* Requires department to notify Legislative Counsel after department has fully reimbursed commission. Provides for refunds by department to transient lodging intermediaries of amounts received in excess of \$900,000 that would otherwise have been withheld by intermediaries as collection reimbursement charge.

Requires department, for purpose of enforcing state transient lodging tax, to purchase access to raw metadata scraped from Internet relating to sale, service or furnishing of transient lodging. Requires department to implement enhanced data-scraping pilot program with two to four units of local government for which department enforces local transient lodging tax.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the administration of local transient lodging taxes by the Department of Revenue; and
3 prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS 320.345 to**
6 **320.350.**

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

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

11 **SECTION 3. (1) Notwithstanding ORS 320.335, for the biennium beginning July 1, 2019, in**
12 **order to fund the actual start-up costs incurred by the Department of Revenue in collecting**
13 **local transient lodging taxes in the manner described in section 2 of this 2019 Act, the de-**
14 **partment shall withhold state transient lodging tax moneys that would otherwise be trans-**
15 **ferred to the Oregon Tourism Commission under ORS 320.335 (2) in an amount not to exceed**
16 **\$900,000.**

17 **(2)(a) In order to reimburse the commission for the moneys withheld under subsection**

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.

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

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

10 (3) Beginning on the day immediately following the date on which the department has
11 withheld the lesser of the actual start-up costs described in subsection (1) of this section or
12 \$900,000, the department shall cease withholding moneys in the manner described in sub-
13 section (1) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 SECTION 7. This 2019 Act takes effect on the 91st day after the date on which the 2019
7 regular session of the Eightieth Legislative Assembly adjourns sine die.

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