

# House Bill 2579

Sponsored by Representative PHAM; Senator DEMBROW (Pre-session 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**.

Increases state transient lodging tax rate and provides for transfer of moneys attributable to increase to county in which taxes were collected. Requires transferred moneys to be used exclusively for affordable housing in county.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to state transient lodging taxes; creating new provisions; amending ORS 320.305 and  
3 320.335 and section 3, chapter 600, Oregon Laws 2019; prescribing an effective date; and pro-  
4 viding for revenue raising that requires approval by three-fifths majority.

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

6 **SECTION 1.** ORS 320.305 is amended to read:

7 320.305. (1)(a) A tax of [1.5] **1.8** percent is imposed on any consideration charged for the sale,  
8 service or furnishing of transient lodging.

9 (b)(A) The tax must be computed on the total retail price, including all charges other than taxes,  
10 paid by a person for occupancy of the transient lodging.

11 (B) The total retail price paid by a person for occupancy of transient lodging that is part of a  
12 travel package may be determined by reasonable and verifiable standards from books and records  
13 kept in the ordinary course of the transient lodging tax collector's business.

14 (2) The tax imposed under this section becomes due when the occupancy of the transient lodging  
15 with respect to which the tax is imposed ends.

16 (3)(a) The tax shall be collected by the transient lodging provider or transient lodging interme-  
17 diary that collects the consideration charged for occupancy of the transient lodging, or a transient  
18 lodging intermediary described in ORS 320.300 (12)(c), as applicable.

19 (b) The transient lodging tax collector may withhold a collection reimbursement charge of five  
20 percent of the amount collected under this subsection.

21 (4) The tax imposed under this section is in addition to and not in lieu of any local transient  
22 lodging tax.

23 **SECTION 2. The amendments to ORS 320.305 by section 1 of this 2021 Act apply to con-**  
24 **sideration charged on or after July 1, 2022, for the sale, service or furnishing of transient**  
25 **lodging.**

26 **SECTION 3.** ORS 320.335 is amended to read:

27 320.335. All moneys received by the Department of Revenue pursuant to ORS 320.305 to 320.340,  
28 and interest [thereon] **on the moneys**, shall be paid to the State Treasurer to be held in a suspense  
29 account established under ORS 293.445. After the payment of refunds:

30 (1) Moneys necessary to reimburse the Department of Revenue for the actual costs incurred by

**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 the department in administering the state transient lodging tax, not to exceed two percent of state  
2 transient lodging tax collections, are continuously appropriated to the department. [*and*]

3 **(2) Moneys received from the state transient lodging tax imposed under ORS 320.305 at**  
4 **a rate in excess of 1.5 percent shall be transferred to the tax collector of each county in**  
5 **which the state transient lodging taxes were collected, in proportion to the percentage of the**  
6 **total state transient lodging tax revenues collected in the county for the reporting period.**  
7 **The tax collector shall deposit the transferred moneys in the county general fund. The**  
8 **moneys shall be used exclusively for purposes of addressing affordable housing in the county.**

9 [(2)] (3) The balance of the moneys received shall be transferred to the account of the Oregon  
10 Tourism Commission established under ORS 284.131. The moneys transferred under this subsection  
11 are continuously appropriated to the Oregon Tourism Commission for the purposes set forth in ORS  
12 284.131.

13 **SECTION 4. The amendments to ORS 320.335 by section 3 of this 2021 Act apply to**  
14 **amounts of state transient lodging taxes imposed under ORS 320.305 that are received by the**  
15 **Department of Revenue on or after July 1, 2022.**

16 **SECTION 5.** Section 3, chapter 600, Oregon Laws 2019, is amended to read:

17 **Sec. 3.** (1) Notwithstanding ORS 320.335, for the biennium beginning July 1, 2019, in order to  
18 fund the actual start-up costs incurred by the Department of Revenue in collecting local transient  
19 lodging taxes in the manner described in section 2 of this 2019 Act [320.365], the department shall  
20 withhold state transient lodging tax moneys that would otherwise be transferred to the Oregon  
21 Tourism Commission under ORS 320.335 [(2)] (3) in an amount not to exceed \$900,000.

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

28 (b) Notwithstanding ORS 320.305 (3)(b) and 320.345, a transient lodging intermediary may not  
29 withhold any amount of state or local transient lodging taxes reported to the department as a col-  
30 lection reimbursement charge until the date specified in subsection (4) of this section.

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

34 (4) Beginning on the day immediately following the date on which the department has trans-  
35 ferred to the commission the total amount of the reimbursement required under subsection (2)(a) of  
36 this section, transient lodging intermediaries may resume withholding collection reimbursement  
37 charges from state and local transient lodging taxes reported to the department as provided in ORS  
38 320.305 (3)(b) and 320.345.

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

43 (b) The refunds required by paragraph (a) of this subsection shall be made in fair and propor-  
44 tionate amounts to transient lodging intermediaries that would have withheld amounts of state and  
45 local transient lodging taxes as a collection reimbursement charge but for the disallowance of such

1 charges under subsection (2)(b) of this section.

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

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

7 **SECTION 6. This 2021 Act takes effect on the 91st day after the date on which the 2021**  
8 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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