

House Bill 3556

Sponsored by Representatives JAVADI, WALTERS, Senator WEBER

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would let a city or county use net revenue from its hotel tax to fund the costs of public safety and costs that are tied to infrastructure. (Flesch Readability Score: 60.7).

Extends the permissible uses of net revenue from a new or increased local transient lodging tax to include public safety services and certain costs related to "community infrastructure."

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the use of local transient tax revenue; amending ORS 320.300, 320.305, 320.350 and
3 320.360; and prescribing an effective date.

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

5 **SECTION 1.** ORS 320.350 is amended to read:

6 320.350. (1) A unit of local government that did not impose a local transient lodging tax on July
7 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition
8 of the local transient lodging tax was approved on or before July 1, 2003.

9 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
10 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is
11 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July
12 1, 2003.

13 (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
14 not decrease the percentage of total local transient lodging tax revenues that are actually expended
15 to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local gov-
16 ernment that agreed, on or before July 1, 2003, to increase the percentage of total local transient
17 lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities,
18 must increase the percentage as agreed.

19 (4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is fi-
20 nancing debt with local transient lodging tax revenues on November 26, 2003, must continue to fi-
21 nance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is
22 not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:

23 (a) The local transient lodging tax revenue that financed the debt shall be used as provided in
24 subsection (5) of this section; or

25 (b) The unit of local government shall thereafter eliminate the new tax or increase in tax oth-
26 erwise described in subsection (1) or (2) of this section.

27 (5) Subsections (1) and (2) of this section do not apply to a new or increased local transient
28 lodging tax if all of the net revenue from the new or increased tax, following reductions attributed
29 to collection reimbursement charges, is used consistently with subsection (6) of this section to:

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 (a) Fund tourism promotion, [or] tourism-related facilities **or tourism-impacted services**;

2 (b) Fund city or county services; or

3 (c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative
4 costs incurred in financing or refinancing that debt, provided that:

5 (A) The net revenue may be used for administrative costs only if the unit of local government
6 provides a collection reimbursement charge; and

7 (B) Upon retirement of the debt, the unit of local government reduces the tax by the amount
8 by which the tax was increased to finance or refinance the debt.

9 (6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall
10 be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent
11 of net revenue from a new or increased local transient lodging tax may be used for the purpose
12 described in subsection (5)(b) of this section.

13 **SECTION 2.** ORS 320.300 is amended to read:

14 320.300. As used in ORS 320.300 to 320.365:

15 (1) "Collection reimbursement charge" means the amount a transient lodging tax collector may
16 retain as reimbursement for the costs incurred by the transient lodging tax collector in collecting
17 and reporting a transient lodging tax and in maintaining transient lodging tax records.

18 (2) **"Community infrastructure" means facilities for water, wastewater, transportation,
19 recreation, including but not limited to parks, trails and tourism access points, and public
20 amenities, including but not limited to public parking and public restrooms.**

21 [(2)] (3) "Conference center" means a facility that:

22 (a) Is owned or partially owned by a unit of local government, a governmental agency or a
23 nonprofit organization; and

24 (b) Meets the current membership criteria of the International Association of Conference Cen-
25 ters.

26 [(3)] (4) "Convention center" means a new or improved facility that:

27 (a) Is capable of attracting and accommodating conventions and trade shows from international,
28 national and regional markets requiring exhibition space, ballroom space, meeting rooms and any
29 other associated space, including without limitation banquet facilities, loading areas and lobby and
30 registration areas;

31 (b) Has a total meeting room and ballroom space between one-third and one-half of the total size
32 of the center's exhibition space;

33 (c) Generates a majority of its business income from tourists;

34 (d) Has a room-block relationship with the local lodging industry; and

35 (e) Is owned by a unit of local government, a governmental agency or a nonprofit organization.

36 [(4)] (5) "Local transient lodging tax" means a tax imposed by a unit of local government on the
37 sale, service or furnishing of transient lodging.

38 (6) **"Public safety" means services provided by the police department, sheriff's office,
39 district attorney's office, fire department, search and rescue or emergency medical services
40 provider of a city, county or special district.**

41 [(5)] (7) "State transient lodging tax" means the tax imposed under ORS 320.305.

42 [(6)] (8) "Tourism" means economic activity resulting from tourists.

43 (9) **"Tourism-impacted services" means the provision of:**

44 (a) **Public safety; and**

45 (b) **Community infrastructure, including the financing, construction, operation and**

1 **maintenance of the infrastructure.**

2 [(7)] (10) "Tourism promotion" means any of the following activities:

3 (a) Advertising, publicizing or distributing information for the purpose of attracting and wel-
4 coming tourists;

5 (b) Conducting strategic planning and research necessary to stimulate future tourism develop-
6 ment;

7 (c) Operating tourism promotion agencies; and

8 (d) Marketing special events and festivals designed to attract tourists.

9 [(8)] (11) "Tourism promotion agency" includes:

10 (a) An incorporated nonprofit organization or governmental unit that is responsible for the
11 tourism promotion of a destination on a year-round basis.

12 (b) A nonprofit entity that manages tourism-related economic development plans, programs and
13 projects.

14 (c) A regional or statewide association that represents entities that rely on tourism-related
15 business for more than 50 percent of their total income.

16 [(9)] (12) "Tourism-related facility" means:

17 (a) A conference center, convention center or visitor information center; and

18 (b) Other improved real property that has a useful life of 10 or more years and has a substantial
19 purpose of supporting tourism or accommodating tourist activities.

20 [(10)] (13) "Tourist" means a person who, for business, pleasure, recreation or participation in
21 events related to the arts, heritage or culture, travels from the community in which that person is
22 a resident to a different community that is separate, distinct from and unrelated to the person's
23 community of residence, and that trip:

24 (a) Requires the person to travel more than 50 miles from the community of residence; or

25 (b) Includes an overnight stay.

26 [(11)] (14) "Transient lodging" means:

27 (a) Hotel, motel and inn dwelling units that are used for temporary overnight human occupancy;

28 (b) Spaces used for parking recreational vehicles or erecting tents during periods of human oc-
29 cupancy; or

30 (c) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any
31 of these dwelling units, that are used for temporary human occupancy.

32 [(12)] (15) "Transient lodging intermediary" means a person other than a transient lodging pro-
33 vider that facilitates the retail sale of transient lodging and:

34 (a) Charges for occupancy of the transient lodging;

35 (b) Collects the consideration charged for occupancy of the transient lodging; or

36 (c) Receives a fee or commission and requires the transient lodging provider to use a specified
37 third-party entity to collect the consideration charged for occupancy of the transient lodging.

38 [(13)] (16) "Transient lodging provider" means a person that furnishes transient lodging.

39 [(14)] (17) "Transient lodging tax collector" means a transient lodging provider or a transient
40 lodging intermediary.

41 [(15)] (18) "Unit of local government" has the meaning given that term in ORS 190.003.

42 [(16)] (19) "Visitor information center" means a building, or a portion of a building, the main
43 purpose of which is to distribute or disseminate information to tourists.

44 **SECTION 3.** ORS 320.305 is amended to read:

45 320.305. (1)(a) A tax of 1.5 percent is imposed on any consideration charged for the sale, service

1 or furnishing of transient lodging.

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

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

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

9 (3)(a) The tax shall be collected by the transient lodging provider or transient lodging interme-
10 diary that collects the consideration charged for occupancy of the transient lodging, or a transient
11 lodging intermediary described in ORS 320.300 [(12)(c)] (15)(c), as applicable.

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

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

16 **SECTION 4.** ORS 320.360 is amended to read:

17 320.360. (1) The transient lodging provider or transient lodging intermediary that collects the
18 consideration charged for occupancy of transient lodging, or a transient lodging intermediary de-
19 scribed in ORS 320.300 [(12)(c)] (15)(c), as applicable, is responsible for collecting any local transient
20 lodging tax and shall file a return of the tax with the unit of local government that imposes the tax,
21 or with any tax administrator identified by the unit of local government, reporting the amount of
22 tax due with respect to all occupancy of transient lodging that ended during the reporting period
23 to which the return relates.

24 (2) Returns shall be filed on or before the deadline fixed by the unit of local government for
25 filing returns and shall be made under penalties for false swearing.

26 (3) When a return is required under this section, the transient lodging tax collector required to
27 file the return shall remit the tax due to the unit of local government at the time fixed for filing
28 returns.

29 (4) This section applies to a transient lodging tax collector unless a charter provision or ordi-
30 nance or resolution of the unit of local government, or an agreement entered into between the
31 transient lodging tax collector and the unit of local government, provides otherwise.

32 **SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025**
33 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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