

HOUSE AMENDMENTS TO HOUSE BILL 4148

By COMMITTEE ON REVENUE

February 23

1 On page 1 of the printed bill, delete lines 5 through 22 and delete pages 2 and 3 and insert:

2 “**SECTION 1.** ORS 320.350 is amended to read:

3 “320.350. (1) A unit of local government that did not impose a local transient lodging tax on July
4 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition
5 of the local transient lodging tax was approved on or before July 1, 2003.

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

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

16 “(4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is
17 financing debt with local transient lodging tax revenues on November 26, 2003, must continue to
18 finance the debt until the retirement of the debt, including any refinancing of that debt. If the tax
19 is not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retire-
20 ment:

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

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

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

28 “(a) Fund tourism promotion, [*or*] tourism-related facilities **or resiliency grants for small**
29 **businesses in the restaurant and lodging industry;**

30 “(b) Fund city or county services, **whether emergency or nonemergency services, provided**
31 **directly by the city or county or by a special district in lieu of the city or county;** or

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

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

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

3 “(6)(a) At least [70] **50** percent of net revenue from a new or increased local transient lodging
4 tax shall be used for the purposes described in subsection (5)(a) or (c) of this section.

5 “(b) No more than [30] **50** percent of net revenue from a new or increased local transient lodg-
6 ing tax may be used for the purpose described in subsection (5)(b) of this section.

7 “(7)(a) **Notwithstanding subsection (1) of this section, a unit of local government may use**
8 **unexpended net revenue collected before the effective date of this 2026 Act from a new tax**
9 **described in subsection (1) of this section in accordance with subsection (6) of this section.**

10 “(b) **Notwithstanding subsection (2) of this section, a unit of local government may use**
11 **unexpended net revenue collected before the effective date of this 2026 Act that is attribut-**
12 **able to the rate of the local transient lodging tax in effect on July 1, 2003, and to any increase**
13 **in the rate made on or after July 2, 2003, in accordance with subsection (6) of this section.**

14 “(c) **Notwithstanding subsection (3) of this section, a unit of local government may, in**
15 **accordance with subsection (6) of this section, decrease the percentage of total local tran-**
16 **sient lodging tax revenues that are actually expended to fund tourism promotion or**
17 **tourism-related facilities regardless of when the percentage went into effect.**

18 “**SECTION 2.** The amendments to ORS 320.350 by section 1 of this 2026 Act become op-
19 erative on January 1, 2027.

20 “**SECTION 3.** The amendments to ORS 320.350 by section 1 of this 2026 Act apply to net
21 revenue collected by units of local government before, on or after the effective date of this
22 **2026 Act.**

23 “**SECTION 4.** (1)(a) A unit of local government that imposes a local transient lodging tax
24 under ORS 320.345 to 320.365 shall file a biennial report with the Legislative Revenue Officer
25 no later than September 1 of each odd-numbered year, beginning in 2027.

26 “(b) Upon request by one or more cities or counties, the League of Oregon Cities or the
27 Association of Oregon Counties, respectively, may file the report on behalf of the cities or
28 counties.

29 “(2) The report must include the following information with respect to total transient
30 lodging tax revenue:

31 “(a) For the preceding two fiscal years:

32 “(A) The tax rates imposed, setting forth separately those rates that were imposed or
33 increased on or before July 1, 2003, and those rates that were imposed or increased on or
34 after July 2, 2003;

35 “(B) Total revenue collected;

36 “(C) The amount and percentage of revenue used to fund tourism promotion, including
37 revenue expended under agreements with destination management organizations;

38 “(D) The amount and percentage of revenue used to fund tourism-related facilities;

39 “(E) The amount and percentage of revenue used to fund resiliency grants for small
40 businesses in the restaurant and lodging industry; and

41 “(F) The amount and percentage of revenue used to fund city or county services;

42 “(b) The amount of revenue held in capital reserves, with a description of its intended
43 purpose;

44 “(c) Any changes to allocation methods or use definitions, including those approved by
45 the voters or unit of local government; and

1 “(d) A summary of advisory board meetings or oversight actions, if applicable.

2 “(3)(a) Any destination management organization or other entity receiving local transient

3 lodging tax revenue under an agreement entered into with a unit of local government shall

4 submit a biennial report to the unit of local government for inclusion in the biennial report

5 required under subsection (1) of this section.

6 “(b) A report required under paragraph (a) of this subsection shall include a description

7 of:

8 “(A) The uses of the local transient lodging tax revenue received under the terms of the

9 agreement, including, but not limited to, marketing, staffing and grants;

10 “(B) Performance metrics of tourism promotion, including campaigns executed and au-

11 diences reached; and

12 “(C) Compliance with the terms of the agreement and key deliverables satisfied.

13 “(4) The Legislative Revenue Officer shall submit an aggregate summary of reports re-

14 ceived under subsection (1) of this section for each biennium, in the manner provided in ORS

15 192.245, to the interim committees of the Legislative Assembly related to revenue, economic

16 development and local government.

17 “SECTION 5. Section 4 of this 2026 Act is repealed on January 2, 2041.

18 “SECTION 6. (1) The Legislative Revenue Officer shall conduct a study of the percentage

19 requirements for allowable uses of local transient lodging tax revenue under ORS 320.350 (6),

20 as amended by section 1 of this 2026 Act.

21 “(2) The study shall discuss the following, separately and under such further detailed

22 headings as the Legislative Revenue Officer considers useful:

23 “(a) The amount and percentage of revenue used to fund tourism promotion, including

24 revenue expended under agreements with destination management organizations;

25 “(b) The amount and percentage of revenue used to fund tourism-related facilities;

26 “(c) The amount and percentage of revenue used to fund resiliency grants for small

27 businesses in the restaurant and lodging industry; and

28 “(d) The amount and percentage of revenue used to fund city or county services.

29 “(3)(a) In conducting the study, the Legislative Revenue Officer may consult with inter-

30 ested stakeholders.

31 “(b) Units of local governments shall provide the Legislative Revenue Officer with the

32 data and other information necessary to conduct the study, including tax collections and

33 expenditures.

34 “(c) The Legislative Revenue Officer may use any information received under section 4

35 of this 2026 Act for purposes of the study required under this section.

36 “(4) Not later than September 15, 2034, the Legislative Revenue Officer shall submit, in

37 the manner provided by ORS 192.245, to the interim committees of the Legislative Assembly

38 related to revenue, a report of the findings of the study.

39 “SECTION 7. Section 6 of this 2026 Act is repealed on January 2, 2036.

40 “SECTION 8. This 2026 Act takes effect on the 91st day after the date on which the 2026

41 regular session of the Eighty-third Legislative Assembly adjourns sine die.”.

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