

HB 4148-1
(LC 18)
2/11/26 (ASD/ps)

Requested by Representative RESCHKE

**PROPOSED AMENDMENTS TO
HOUSE BILL 4148**

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

3 **“SECTION 1. The Legislative Assembly finds that:**

4 **“(1) Local transient lodging taxes are a vital funding source for**
5 **both tourism-related investments and community services.**

6 **“(2) A balanced and transparent system of allocating lodging tax**
7 **revenues is necessary to ensure continued tourism promotion while**
8 **meeting essential local needs.**

9 **“(3) It is the intent of the Legislative Assembly to provide flexibility**
10 **for local governments, improve transparency in lodging tax reporting**
11 **and preserve existing statutory commitments to tourism promotion**
12 **and facilities.**

13 **“SECTION 2. Section 1 of this 2026 Act is repealed on January 2,**
14 **2029.**

15 **“SECTION 3. ORS 320.350 is amended to read:**

16 **“320.350. [(1) A unit of local government that did not impose a local tran-**
17 **sient lodging tax on July 1, 2003, may not impose a local transient lodging tax**
18 **on or after July 2, 2003, unless the imposition of the local transient lodging**
19 **tax was approved on or before July 1, 2003.]**

20 **“[(2) A unit of local government that imposed a local transient lodging tax**
21 **on July 1, 2003, may not increase the rate of the local transient lodging tax**

1 on or after July 2, 2003, to a rate that is greater than the rate in effect on July
2 1, 2003, unless the increase was approved on or before July 1, 2003.]

3 “(3) A unit of local government that imposed a local transient lodging tax
4 on July 1, 2003, may not decrease the percentage of total local transient lodging
5 tax revenues that are actually expended to fund tourism promotion or
6 tourism-related facilities on or after July 2, 2003. A unit of local government
7 that agreed, on or before July 1, 2003, to increase the percentage of total local
8 transient lodging tax revenues that are to be expended to fund tourism pro-
9 motion or tourism-related facilities, must increase the percentage as agreed.]

10 “(4) (1)(a) [Notwithstanding subsections (1) and (2) of this section,] A
11 unit of local government that is financing debt with local transient lodging
12 tax revenues on November 26, 2003, must continue to finance the debt **in**
13 **accordance with the rates and distribution percentages of the local**
14 **transient lodging tax in effect on November 26, 2003**, until the retirement
15 of the debt, including any refinancing of that debt.

16 “(b) [If the tax is not otherwise permitted under subsection (1) or (2) of this
17 section, at the time of the debt retirement] **When the debt has been**
18 **retired**:

19 “(a) (A) The local transient lodging tax revenue that financed the debt
20 shall be used as provided in subsection [(5)] **(2)** of this section; or

21 “(b) (B) The unit of local government shall [thereafter eliminate] **repeal**
22 the new tax or increase in tax [otherwise described in subsection (1) or (2)
23 of this section] **that financed the debt**.

24 “(5) (2) [Subsections (1) and (2) of this section do not apply to a new or
25 increased local transient lodging tax if all of the net revenue from the new or
26 increased tax, following] **After** reductions attributed to collection re-
27 imbursement charges, [is used] **a unit of local government shall use net**
28 **revenue from a local transient lodging tax** consistently with subsection
29 [(6)] **(3)** of this section to:

30 “(a) Fund tourism promotion or tourism-related facilities;

1 “(b) Fund city or county services; or

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

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

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

10 **“(3)(a) For a local transient lodging tax that is in force as of the
11 effective date of this 2026 Act, with respect to net revenue from the
12 tax that is collected on or after the effective date of this 2026 Act:**

13 **“(A) For the purpose described in subsection (2)(b) of this section,
14 the unit of local government may use the greater of 50 percent of net
15 revenue from the tax or the percentage of net revenue used for this
16 purpose as of the effective date of this 2026 Act; and**

17 **“(B) For the purposes described in subsection (2)(a) or (c) of this
18 section, the unit of local government may use 100 percent of net rev-
19 enue minus the percentage determined under subparagraph (A) of this
20 paragraph.**

21 **“(b) For a local transient lodging tax that is in force as of the ef-
22 fective date of this 2026 Act, with respect to net revenue from the tax
23 that is collected before the effective date of this 2026 Act, the unit of
24 local government shall use the net revenue for the purposes of sub-
25 section (2)(a) and (c) of this section and subsection (2)(b) of this sec-
26 tion in the respective percentages in effect as of the effective date of
27 this 2026 Act.**

28 **“(c) For a local transient lodging tax that is newly imposed on or
29 after the effective date of this 2026 Act:**

30 **“(A) At least 50 percent of net revenue from the tax may be used**

1 for the purposes described in subsection (2)(a) or (c) of this section;
2 and

3 “(B) No more than 50 percent of net revenue from the tax may be
4 used for the purpose described in subsection (2)(b) of this section.

5 “(d)(A) Subparagraph (B) of this paragraph applies to:

6 “(i) A local transient lodging tax that is in force as of the effective
7 date of this 2026 Act and increased on or after the effective date of this
8 2026 Act; and

9 “(ii) A local transient lodging tax that is newly imposed on or after
10 the effective date of this 2026 Act and increased after the effective date
11 of the newly imposed tax.

12 “[6] (B)(i) At least 70 percent of net revenue from [a new or increased
13 local transient lodging tax] **the incremental amount of the increase to**
14 **the tax rate** shall be used for the purposes described in subsection [(5)(a)
15 or (c)] (2)(a) or (c) of this section[.]; and

16 “(ii) No more than 30 percent of net revenue from [a new or increased
17 local transient lodging tax] **the incremental amount of the increase to**
18 **the tax rate** may be used for the purpose described in subsection [(5)(b)]
19 (2)(b) of this section.

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

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

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

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

30 “(A) The rates imposed;

1 **“(B) Total revenue collected;**

2 **“(C) The amount and percentage of revenue used to fund tourism**
3 **promotion, including revenue expended under agreements with desti-**
4 **nation management organizations;**

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

7 **“(E) The amount and percentage of revenue used to fund city or**
8 **county services;**

9 **“(b) The amount of revenue held in capital reserves, with a de-**
10 **scription of its intended purpose;**

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

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

15 **“(3)(a) Any destination management organization or other entity**
16 **receiving local transient lodging tax revenue under an agreement en-**
17 **tered into with a unit of local government shall submit a biennial re-**
18 **port to the unit of local government for inclusion in the biennial**
19 **report required under subsection (1) of this section.**

20 **“(b) A report required under paragraph (a) of this subsection shall**
21 **include a description of:**

22 **“(A) The uses of the local transient lodging tax revenue received**
23 **under the terms of the agreement, including, but not limited to,**
24 **marketing, staffing and grants;**

25 **“(B) Performance metrics of tourism promotion, including cam-**
26 **paigns executed and audiences reached; and**

27 **“(C) Compliance with the terms of the agreement and key deliver-**
28 **ables satisfied.**

29 **“(4)(a) The Department of Revenue shall publish reports received**
30 **under subsection (1) of this section in a publicly accessible database.**

1 **“(b) The department may submit an aggregate summary of reports**
2 **received under subsection (1) of this section for each biennium, in the**
3 **manner provided in ORS 192.245, to the interim committees of the**
4 **Legislative Assembly related to revenue, economic development and**
5 **local government.**

6 **“SECTION 5. Section 4 of this 2026 Act is repealed on January 2,**
7 **2041.**

8 **“SECTION 6. (1) The Legislative Policy and Research Director shall**
9 **conduct a study to:**

10 **“(a) Evaluate the cumulative impacts of section 4 of this 2026 Act**
11 **and the amendments to ORS 320.350 by section 3 of this 2026 Act;**

12 **“(b) Review revenue distribution and reporting data provided by the**
13 **Department of Revenue; and**

14 **“(c) Recommend to the Legislative Assembly any modifications**
15 **necessary to improve clarity, equity and effectiveness of statewide**
16 **transient lodging tax policy.**

17 **“(2) The director shall consult with the League of Oregon Cities, the**
18 **Association of Oregon Counties, the Oregon Restaurant and Lodging**
19 **Association and any other stakeholders the director considers useful**
20 **to the conduct of the study.**

21 **“(3) The director shall submit the findings of the study, in the**
22 **manner provided in ORS 192.245, to the interim committees of the**
23 **Legislative Assembly related to revenue and economic development**
24 **no later than September 15, 2034.**

25 **“SECTION 7. Section 6 of this 2026 Act is repealed on January 2,**
26 **2036.**

27 **“SECTION 8. This 2026 Act takes effect on July 1, 2026.”.**