FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2656 - 3**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Requires transient lodging provider and transient lodging intermediary to collect and remit transient lodging taxes computed on total retail price, including all charges other than taxes, paid by person for occupancy of transient lodging. Requires a minimum of $600,000 of additional revenue generated as a result of changes due to provisions of the measure to be used to promote tourism in rural areas in Oregon through film and video

Government Unit(s) Affected:
Department of Revenue(DOR), Oregon Tourism Commission (Travel Oregon)[Semi-Privatized]

Summary of Expenditure Impact

	2013-15 Biennium	2015-17 Biennium
Other Funds (non-limited)	650,000	
Total Funds	**$650,000**	**$0**
Positions	0	
FTE	0.00	

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
The measure creates a definition of “transient lodging tax collector” that captures the definitions of “transient lodging provider” and “transient lodging intermediary” for the purpose of identifying persons responsible for the collection and payment of the transient lodging tax. This definition is substituted in various statutes related to the collection, reporting, and payment of the tax where current statue references transient lodging providers. The bill requires that the transient lodging tax rate be applied to the total retail price paid for lodging accommodations. The measure also requires that a minimum of $600,000 of the additional tax revenue generated as a result of the changes to the collection statutes be used by the Oregon Tourism Commission (OTC) to promote tourism in rural areas of Oregon through film and video.

Note that the Oregon Tourism Commission is a semi-privatized agency. The agency’s budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly.

Using estimates provided by the Legislative Revenue Office (LRO) for the additional tax revenue generated by the bill, OTC estimates that expenditures for the 2013-15 biennium would equal an estimated $650,000. Since the measure requires the expenditure of the additional funds for a two-year period from the effective date of the act, it is assumed that a portion of the $890,000 estimated additional revenue generated in the 2015-17 biennium would also be expended, but that amount is dependent on the both the effective date of the measure and the amount of tax revenue collected during that period.