

Senate Bill 595

Sponsored by Senator JOHNSON (at the request of Bill Baertlein, Tillamook County Commissioner) (Presession 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**.

Adjusts allocation percentages of net revenue from new or increased local transient lodging tax to allow up to 30 percent of such revenue to be used to fund affordable workforce housing.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to local transient lodging taxes; creating new provisions; amending ORS 320.300, 320.305
3 and 320.350 and section 6, chapter 34, Oregon Laws 2018; and prescribing an effective date.

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

5 **SECTION 1.** ORS 320.300, as amended by section 1, chapter 34, Oregon Laws 2018, is amended
6 to read:

7 320.300. As used in ORS 320.300 to 320.350:

8 (1) **“Affordable workforce housing” means housing that is rented or sold to households**
9 **with an annual income at or below 125 percent of the city or county median income, which-**
10 **ever is greater, at a rent or sales price that is affordable to such households.**

11 [(1)] (2) “Collection reimbursement charge” means the amount a transient lodging tax collector
12 may retain as reimbursement for the costs incurred by the transient lodging tax collector in col-
13 lecting and reporting a transient lodging tax and in maintaining transient lodging tax records.

14 [(2)] (3) “Conference center” means a facility that:

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

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

19 [(3)] (4) “Convention center” means a new or improved facility that:

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

24 (b) Has a total meeting room and ballroom space between one-third and one-half of the total size
25 of the center’s exhibition space;

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

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

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

29 [(4)] (5) “Local transient lodging tax” means a tax imposed by a unit of local government on the
30 sale, service or furnishing of transient lodging.

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 [(5)] (6) “State transient lodging tax” means the tax imposed under ORS 320.305.

2 [(6)] (7) “Tourism” means economic activity resulting from tourists.

3 [(7)] (8) “Tourism promotion” means any of the following activities:

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

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

8 (c) Operating tourism promotion agencies; and

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

10 [(8)] (9) “Tourism promotion agency” includes:

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

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

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

17 [(9)] (10) “Tourism-related facility” means:

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

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

21 [(10)] (11) “Tourist” means a person who, for business, pleasure, recreation or participation in
22 events related to the arts, heritage or culture, travels from the community in which that person is
23 a resident to a different community that is separate, distinct from and unrelated to the person’s
24 community of residence, and that trip:

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

26 (b) Includes an overnight stay.

27 [(11)] (12) “Transient lodging” means:

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

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

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

33 [(12)] (13) “Transient lodging intermediary” means a person other than a transient lodging pro-
34 vider that facilitates the retail sale of transient lodging and:

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

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

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

39 [(13)] (14) “Transient lodging provider” means a person that furnishes transient lodging.

40 [(14)] (15) “Transient lodging tax collector” means a transient lodging provider or a transient
41 lodging intermediary.

42 [(15)] (16) “Unit of local government” has the meaning given that term in ORS 190.003.

43 [(16)] (17) “Visitor information center” means a building, or a portion of a building, the main
44 purpose of which is to distribute or disseminate information to tourists.

45 **SECTION 2.** ORS 320.350, as amended by section 3, chapter 34, Oregon Laws 2018, is amended

1 to read:

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

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

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

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

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

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

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

26 (a) Fund tourism promotion or tourism-related facilities;

27 (b) Fund city or county services; *[or]*

28 (c) **Fund affordable workforce housing; or**

29 *[(c)]* (d) Finance or refinance the debt of tourism-related facilities and pay reasonable adminis-
30 trative costs incurred in financing or refinancing that debt, provided that:

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

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

35 (6) *[At least 70 percent]* Of net revenue from a new or increased local transient lodging tax:

36 (a) **At least 40 percent** shall be used for the purposes described in subsection (5)(a) or *[(c)]* (d)
37 of this section.

38 (b) No more than 30 percent *[of net revenue from a new or increased local transient lodging*
39 *tax]* may be used for the purpose described in subsection (5)(b) of this section.

40 (c) **No more than 30 percent may be allocated to a city or county community development**
41 **department, community development corporation or housing authority within the county for**
42 **the purposes described in subsection (5)(c) of this section.**

43 **SECTION 3. The amendments to ORS 320.350 by section 2 of this 2019 Act apply to net**
44 **revenue from a new or increased local transient lodging tax imposed or increased on or after**
45 **July 2, 2003.**

1 **SECTION 4.** Section 6, chapter 34, Oregon Laws 2018, is amended to read:

2 **Sec. 6.** (1) The transient lodging provider or transient lodging intermediary that collects the
3 consideration charged for occupancy of transient lodging, or a transient lodging intermediary de-
4 scribed in ORS 320.300 [(12)(c)] **(13)(c)**, as applicable, is responsible for collecting any local transient
5 lodging tax and shall file a return of the tax with the unit of local government that imposes the tax,
6 or with any tax administrator identified by the unit of local government, reporting the amount of
7 tax due during the reporting period to which the return relates.

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

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

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

16 **SECTION 5.** ORS 320.305, as amended by section 7, chapter 34, Oregon Laws 2018, is amended
17 to read:

18 320.305. (1)(a) A tax of 1.8 percent is imposed on any consideration charged for the sale, service
19 or furnishing of transient lodging.

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

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

25 (c) The tax shall be collected by the transient lodging provider or transient lodging intermediary
26 that collects the consideration charged for occupancy of the transient lodging, or a transient lodging
27 intermediary described in ORS 320.300 [(12)(c)] **(13)(c)**, as applicable.

28 (d) The tax imposed by this subsection is in addition to and not in lieu of any local transient
29 lodging tax.

30 (2) The transient lodging tax collector may withhold a collection reimbursement charge of five
31 percent of the amount collected under subsection (1) of this section.

32 **SECTION 6.** ORS 320.305, as amended by section 3, chapter 102, Oregon Laws 2016, and section
33 8, chapter 34, Oregon Laws 2018, is amended to read:

34 320.305. (1)(a) A tax of 1.5 percent is imposed on any consideration charged for the sale, service
35 or furnishing of transient lodging.

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

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

41 (c) The tax shall be collected by the transient lodging provider or transient lodging intermediary
42 that collects the consideration charged for occupancy of the transient lodging, or a transient lodging
43 intermediary described in ORS 320.300 [(12)(c)] **(13)(c)**, as applicable.

44 (d) The tax imposed by this subsection is in addition to and not in lieu of any local transient
45 lodging tax.

1 (2) The transient lodging tax collector may withhold a collection reimbursement charge of five
2 percent of the amount collected under subsection (1) of this section.

3 **SECTION 7. This 2019 Act takes effect on the 91st day after the date on which the 2019**
4 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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