

HOUSE AMENDMENTS TO HOUSE BILL 3962

By COMMITTEE ON REVENUE

June 17

1 In line 2 of the printed bill, after “taxation” insert “; creating new provisions; amending ORS
2 320.350; and prescribing an effective date”.

3 Delete lines 4 through 8 and insert:

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

5 “320.350. (1) A unit of local government that did not impose a local transient lodging tax on July
6 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition
7 of the local transient lodging tax was approved on or before July 1, 2003.

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

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

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

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:

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

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

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

35 “(A) The net revenue may be used for administrative costs only if the unit of local government

1 provides a collection reimbursement charge; and

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

4 “(6) At least [70] **40** percent of net revenue from a new or increased local transient lodging tax
5 shall be used for the purposes described in subsection (5)(a) or (c) of this section. No more than
6 [30] **60** percent of net revenue from a new or increased local transient lodging tax may be used for
7 the purpose described in subsection (5)(b) of this section.

8 “(7)(a) **Notwithstanding subsection (1) of this section, a unit of local government may use**
9 **unexpended net revenue collected before the effective date of this 2025 Act from a new tax**
10 **described in subsection (1) of this section in accordance with subsection (6) of this section.**

11 “(b) **Notwithstanding subsection (2) of this section, a unit of local government may use**
12 **unexpended net revenue collected before the effective date of this 2025 Act that is attribut-**
13 **able to the rate of the local transient lodging tax in effect on July 1, 2003, and to any increase**
14 **in the rate made on or after July 2, 2003, in accordance with subsection (6) of this section.**

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

19 “**SECTION 2. The amendments to ORS 320.350 by section 1 of this 2025 Act become op-**
20 **erative on January 1, 2026.**

21 “**SECTION 3. The amendments to ORS 320.350 by section 1 of this 2025 Act apply to net**
22 **revenue collected by units of local government before, on or after the effective date of this**
23 **2025 Act.**

24 “**SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**
25 **regular session of the Eighty-third Legislative Assembly adjourns sine die.”.**