

HB 3962-7
(LC 4836)
6/2/25 (ASD/ps)

Requested by Representative WALTERS

**PROPOSED AMENDMENTS TO
HOUSE BILL 3962**

1 In line 2 of the printed bill, after “taxation” insert “; creating new pro-
2 visions; amending ORS 320.300, 320.305, 320.350 and 320.360; and prescribing
3 an effective date”.

4 Delete lines 4 through 8 and insert:

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

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

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

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

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

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

9 “(b) The unit of local government shall thereafter eliminate the new tax
10 or increase in tax otherwise described in subsection (1) or (2) of this section.

11 “(5) Subsections (1) [*and* (2)] **to (3)** of this section do not apply to a new
12 or increased local transient lodging tax **approved on or after July 1, 2003,**
13 if all of the net revenue from the new or increased tax, following reductions
14 attributed to collection reimbursement charges, is used consistently with
15 subsection (6) of this section to:

16 “(a) Fund tourism promotion, [*or*] tourism-related facilities **or tourism-**
17 **impacted services;**

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

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

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

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

27 “(6) At least 70 percent of net revenue from a new or increased local
28 transient lodging tax shall be used for the purposes described in subsection
29 (5)(a) or (c) of this section. No more than 30 percent of net revenue from a
30 new or increased local transient lodging tax may be used for the purpose

described in subsection (5)(b) of this section.

SECTION 2. ORS 320.350, as amended by section 1 of this 2025 Act, is amended to read:

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

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

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

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

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

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

“(5) Subsections (1) [to (3)] **and (2)** of this section do not apply to a new

1 or increased local transient lodging tax approved on or after July 1, 2003, if
2 all of the net revenue from the new or increased tax, following reductions
3 attributed to collection reimbursement charges, is used consistently with
4 subsection (6) of this section to:

5 “(a) Fund tourism promotion[,] **or** tourism-related facilities [*or tourism-*
6 *impacted services*];

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

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

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

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

16 “(6) At least 70 percent of net revenue from a new or increased local
17 transient lodging tax shall be used for the purposes described in subsection
18 (5)(a) or (c) of this section. No more than 30 percent of net revenue from a
19 new or increased local transient lodging tax may be used for the purpose
20 described in subsection (5)(b) of this section.

21 **“SECTION 3. The amendments to ORS 320.350 by section 2 of this**
22 **2025 Act become operative on January 1, 2036.**

23 **“SECTION 4.** ORS 320.300 is amended to read:

24 “320.300. As used in ORS 320.300 to 320.365:

25 “(1) ‘Collection reimbursement charge’ means the amount a transient
26 lodging tax collector may retain as reimbursement for the costs incurred by
27 the transient lodging tax collector in collecting and reporting a transient
28 lodging tax and in maintaining transient lodging tax records.

29 “(2) ‘Conference center’ means a facility that:

30 “(a) Is owned or partially owned by a unit of local government, a gov-

ernmental agency or a nonprofit organization; and

“(b) Meets the current membership criteria of the International Association of Conference Centers.

“(3) ‘Convention center’ means a new or improved facility that:

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

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

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

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

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

“(4) ‘Critical infrastructure’ means facilities for water, wastewater and transportation.

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

“(6) ‘Public safety’ means services provided by the police department, sheriff’s office, district attorney’s office, fire department, search and rescue or emergency medical services provider of a city, county or special district.

“[(5)] (7) ‘State transient lodging tax’ means the tax imposed under ORS 320.305.

“[(6)] (8) ‘Tourism’ means economic activity resulting from tourists.

“(9) ‘Tourism-impacted services’ means the provision of:

“(a) Public safety; and

“(b) Critical infrastructure, including the financing, construction, operation and maintenance of the infrastructure.

1 “[7] **(10)** ‘Tourism promotion’ means any of the following activities:

2 “(a) Advertising, publicizing or distributing information for the purpose
3 of attracting and welcoming tourists;

4 “(b) Conducting strategic planning and research necessary to stimulate
5 future tourism development;

6 “(c) Operating tourism promotion agencies; and

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

8 “[8] **(11)** ‘Tourism promotion agency’ includes:

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

11 “(b) A nonprofit entity that manages tourism-related economic develop-
12 ment plans, programs and projects.

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

15 “[9] **(12)** ‘Tourism-related facility’ means:

16 “(a) A conference center, convention center or visitor information center;
17 and

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

21 “[10] **(13)** ‘Tourist’ means a person who, for business, pleasure, recre-
22 ation or participation in events related to the arts, heritage or culture,
23 travels from the community in which that person is a resident to a different
24 community that is separate, distinct from and unrelated to the person’s
25 community of residence, and that trip:

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

28 “(b) Includes an overnight stay.

29 “[11] **(14)** ‘Transient lodging’ means:

30 “(a) Hotel, motel and inn dwelling units that are used for temporary

overnight human occupancy;

“(b) Spaces used for parking recreational vehicles or erecting tents during periods of human occupancy; or

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

“[(12)] (15) ‘Transient lodging intermediary’ means a person other than a transient lodging provider that facilitates the retail sale of transient lodging and:

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

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

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

“[(13)] (16) ‘Transient lodging provider’ means a person that furnishes transient lodging.

“[(14)] (17) ‘Transient lodging tax collector’ means a transient lodging provider or a transient lodging intermediary.

“[(15)] (18) ‘Unit of local government’ has the meaning given that term in ORS 190.003.

“[(16)] (19) ‘Visitor information center’ means a building, or a portion of a building, the main purpose of which is to distribute or disseminate information to tourists.

“SECTION 5. ORS 320.300, as amended by section 4 of this 2025 Act, is amended to read:

“320.300. As used in ORS 320.300 to 320.365:

“(1) ‘Collection reimbursement charge’ means the amount a transient lodging tax collector may retain as reimbursement for the costs incurred by the transient lodging tax collector in collecting and reporting a transient

1 lodging tax and in maintaining transient lodging tax records.

2 “(2) ‘Conference center’ means a facility that:

3 “(a) Is owned or partially owned by a unit of local government, a gov-
4 ernmental agency or a nonprofit organization; and

5 “(b) Meets the current membership criteria of the International Associ-
6 ation of Conference Centers.

7 “(3) ‘Convention center’ means a new or improved facility that:

8 “(a) Is capable of attracting and accommodating conventions and trade
9 shows from international, national and regional markets requiring exhibition
10 space, ballroom space, meeting rooms and any other associated space, in-
11 cluding without limitation banquet facilities, loading areas and lobby and
12 registration areas;

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

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

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

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

19 “[4] ‘Critical infrastructure’ means facilities for water, wastewater and
20 transportation.]

21 “[5] (4) ‘Local transient lodging tax’ means a tax imposed by a unit of
22 local government on the sale, service or furnishing of transient lodging.

23 “[6] ‘Public safety’ means services provided by the police department,
24 sheriff’s office, district attorney’s office, fire department, search and rescue or
25 emergency medical services provider of a city, county or special district.]

26 “[7] (5) ‘State transient lodging tax’ means the tax imposed under ORS
27 320.305.

28 “[8] (6) ‘Tourism’ means economic activity resulting from tourists.

29 “[9] ‘Tourism-impacted services’ means the provision of:]

30 “[(a) Public safety; and]

1 “[*(b)* Critical infrastructure, including the financing, construction, opera-
2 tion and maintenance of the infrastructure.]

3 “[*(10)*] **(7)** ‘Tourism promotion’ means any of the following activities:

4 “(a) Advertising, publicizing or distributing information for the purpose
5 of attracting and welcoming tourists;

6 “(b) Conducting strategic planning and research necessary to stimulate
7 future tourism development;

8 “(c) Operating tourism promotion agencies; and

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

10 “[*(11)*] **(8)** ‘Tourism promotion agency’ includes:

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

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

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

17 “[*(12)*] **(9)** ‘Tourism-related facility’ means:

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

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

23 “[*(13)*] **(10)** ‘Tourist’ means a person who, for business, pleasure, recre-
24 ation or participation in events related to the arts, heritage or culture,
25 travels from the community in which that person is a resident to a different
26 community that is separate, distinct from and unrelated to the person’s
27 community of residence, and that trip:

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

30 “(b) Includes an overnight stay.

1 “[14] (11) ‘Transient lodging’ means:

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

4 “(b) Spaces used for parking recreational vehicles or erecting tents during
5 periods of human occupancy; or

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

9 “[15] (12) ‘Transient lodging intermediary’ means a person other than a
10 transient lodging provider that facilitates the retail sale of transient lodging
11 and:

12 “(a) Charges for occupancy of the transient lodging;

13 “(b) Collects the consideration charged for occupancy of the transient
14 lodging; or

15 “(c) Receives a fee or commission and requires the transient lodging pro-
16 vider to use a specified third-party entity to collect the consideration
17 charged for occupancy of the transient lodging.

18 “[16] (13) ‘Transient lodging provider’ means a person that furnishes
19 transient lodging.

20 “[17] (14) ‘Transient lodging tax collector’ means a transient lodging
21 provider or a transient lodging intermediary.

22 “[18] (15) ‘Unit of local government’ has the meaning given that term
23 in ORS 190.003.

24 “[19] (16) ‘Visitor information center’ means a building, or a portion of
25 a building, the main purpose of which is to distribute or disseminate infor-
26 mation to tourists.

27 **“SECTION 6. The amendments to ORS 320.300 by section 5 of this**
28 **2025 Act become operative on January 1, 2036.**

29 **“SECTION 7. ORS 320.305 is amended to read:**

30 “320.305. (1)(a) A tax of 1.5 percent is imposed on any consideration

1 charged for the sale, service or furnishing of transient lodging.

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

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

9 “(2) The tax imposed under this section becomes due when the occupancy
10 of the transient lodging with respect to which the tax is imposed ends.

11 “(3)(a) The tax shall be collected by the transient lodging provider or
12 transient lodging intermediary that collects the consideration charged for
13 occupancy of the transient lodging, or a transient lodging intermediary de-
14 scribed in ORS 320.300 [(12)(c)] (15)(c), as applicable.

15 “(b) The transient lodging tax collector may withhold a collection re-
16 imbursement charge of five percent of the amount collected under this sub-
17 section.

18 “(4) The tax imposed under this section is in addition to and not in lieu
19 of any local transient lodging tax.

20 **“SECTION 8.** ORS 320.305, as amended by section 7 of this 2025 Act, is
21 amended to read:

22 “320.305. (1)(a) A tax of 1.5 percent is imposed on any consideration
23 charged for the sale, service or furnishing of transient lodging.

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

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

1 “(2) The tax imposed under this section becomes due when the occupancy
2 of the transient lodging with respect to which the tax is imposed ends.

3 “(3)(a) The tax shall be collected by the transient lodging provider or
4 transient lodging intermediary that collects the consideration charged for
5 occupancy of the transient lodging, or a transient lodging intermediary de-
6 scribed in ORS 320.300 [(15)(c)] (12)(c), as applicable.

7 “(b) The transient lodging tax collector may withhold a collection re-
8 imbursement charge of five percent of the amount collected under this sub-
9 section.

10 “(4) The tax imposed under this section is in addition to and not in lieu
11 of any local transient lodging tax.

12 **“SECTION 9. The amendments to ORS 320.305 by section 8 of this**
13 **2025 Act become operative on January 1, 2036.**

14 **“SECTION 10.** ORS 320.360 is amended to read:

15 “320.360. (1) The transient lodging provider or transient lodging interme-
16 diary that collects the consideration charged for occupancy of transient
17 lodging, or a transient lodging intermediary described in ORS 320.300
18 [(12)(c)] (15)(c), as applicable, is responsible for collecting any local transient
19 lodging tax and shall file a return of the tax with the unit of local govern-
20 ment that imposes the tax, or with any tax administrator identified by the
21 unit of local government, reporting the amount of tax due with respect to
22 all occupancy of transient lodging that ended during the reporting period to
23 which the return relates.

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

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

30 “(4) This section applies to a transient lodging tax collector unless a

1 charter provision or ordinance or resolution of the unit of local government,
2 or an agreement entered into between the transient lodging tax collector and
3 the unit of local government, provides otherwise.

4 **“SECTION 11.** ORS 320.360, as amended by section 10 of this 2025 Act,
5 is amended to read:

6 “320.360. (1) The transient lodging provider or transient lodging interme-
7 diary that collects the consideration charged for occupancy of transient
8 lodging, or a transient lodging intermediary described in ORS 320.300
9 [(15)(c)] **(12)(c)**, as applicable, is responsible for collecting any local transient
10 lodging tax and shall file a return of the tax with the unit of local govern-
11 ment that imposes the tax, or with any tax administrator identified by the
12 unit of local government, reporting the amount of tax due with respect to
13 all occupancy of transient lodging that ended during the reporting period to
14 which the return relates.

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

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

21 “(4) This section applies to a transient lodging tax collector unless a
22 charter provision or ordinance or resolution of the unit of local government,
23 or an agreement entered into between the transient lodging tax collector and
24 the unit of local government, provides otherwise.

25 **“SECTION 12.** **The amendments to ORS 320.360 by section 11 of this**
26 **2025 Act become operative on January 1, 2036.**

27 **“SECTION 13.** **(1) The governing body of a unit of local government**
28 **that imposes a local transient lodging tax under ORS 320.345 to 320.365**
29 **shall file a biennial report with the Department of Revenue no later**
30 **than September 1 of each odd-numbered year, beginning in 2027.**

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

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

4 “(A) The rates imposed;

5 “(B) Total revenue collected;

6 “(C) The amount and percentage of revenue used to fund tourism
7 promotion, including revenue expended under agreements with desti-
8 nation management organizations;

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

11 “(E) The amount and percentage of revenue used to fund tourism-
12 impacted services;

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

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

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

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

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

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

29 “(B) Performance metrics of tourism promotion, including cam-
30 paigns executed and audiences reached; and

1 “(C) Compliance with the terms of the agreement and key deliver-
2 ables satisfied.

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

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

10 “SECTION 14. The amendments to ORS 320.300, 320.305, 320.350 and
11 320.360 by sections 2, 5, 8 and 11 of this 2025 Act do not affect any
12 outstanding obligations, audits or reports required under section 13 of
13 this 2025 Act for biennia ending prior to January 2, 2036.

14 “SECTION 15. Section 13 of this 2025 Act is repealed on January 2,
15 2040.

16 “SECTION 16. This 2025 Act takes effect on the 91st day after the
17 date on which the 2025 regular session of the Eighty-third Legislative
18 Assembly adjourns sine die.”.
19 _____