

HB 3962-11
(LC 4836)
6/5/25 (ASD/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Pam Marsh)

**PROPOSED AMENDMENTS TO
HOUSE BILL 3962**

1 In line 2 of the printed bill, after “taxation” insert “; creating new pro-
2 visions; amending ORS 320.350; 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
6 transient lodging tax on July 1, 2003, may not impose a local transient
7 lodging tax on or after July 2, 2003, unless the imposition of the local tran-
8 sient lodging tax was approved on or before July 1, 2003.

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

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

21 “(4) Notwithstanding subsections (1) and (2) of this section, a unit of local

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

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

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

10 “(5) Subsections (1) and (2) of this section do not apply to a new or in-
11 creased local transient lodging tax if all of the net revenue from the new or
12 increased tax, following reductions attributed to collection reimbursement
13 charges, is used consistently with subsection (6) of this section to:

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

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

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

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

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

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

29 **“SECTION 2. The amendments to ORS 320.350 by section 1 of this**
30 **2025 Act become operative on January 1, 2026.**

1 **“SECTION 3. This 2025 Act takes effect on the 91st day after the**
2 **date on which the 2025 regular session of the Eighty-third Legislative**
3 **Assembly adjourns sine die.”.**

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