

HB 3962-14  
(LC 4836)  
6/12/25 (ASD/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Nancy Nathanson)

**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, **whether emergency or non-**  
16 **emergency services, provided directly by the city or county or by a**  
17 **special district in lieu of the city or county;** or

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

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

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

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

1       “(7)(a) Notwithstanding subsection (1) of this section, a unit of local  
2 government may use unexpended net revenue collected before the ef-  
3 fective date of this 2025 Act from a new tax described in subsection (1)  
4 of this section in accordance with subsection (6) of this section.

5       “(b) Notwithstanding subsection (2) of this section, a unit of local  
6 government may use unexpended net revenue collected before the ef-  
7 fective date of this 2025 Act that is attributable to the rate of the local  
8 transient lodging tax in effect on July 1, 2003, and to any increase in  
9 the rate made on or after July 2, 2003, in accordance with subsection  
10 (6) of this section.

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

16       “SECTION 2. The amendments to ORS 320.350 by section 1 of this  
17 2025 Act become operative on January 1, 2026.

18       “SECTION 3. The amendments to ORS 320.350 by section 1 of this  
19 2025 Act apply to net revenue collected by units of local government  
20 before, on or after the effective date of this 2025 Act.

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