

**HB 3556 STAFF MEASURE SUMMARY**

**House Committee On Emergency Management, General Government, and Veterans**

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**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 3/20, 3/27

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**WHAT THE MEASURE DOES:**

The measure extends the use of revenue from new or increased local transient lodging tax to include public safety and certain costs related to community infrastructure.

Detailed Summary

- Adds tourism-impacted services to the uses of new or increased local transient lodging tax revenues.
- Adds community infrastructure and public safety to the list of definitions regarding transient lodging tax revenue.
- Adds tourism-impacted services to the list of definitions; includes provision for public safety and the financing construction, operation, and maintenance of community infrastructure.
- Renumbers certain statutes.
- Takes effect on the 91<sup>st</sup> day following adjournment sine die.

Fiscal impact: No fiscal impact

Revenue impact: Revenue lite

**ISSUES DISCUSSED:**

- Questions about annual tourism revenue and how the taxation works
- Concerns about revenue for public safety and tourism related costs
- Questions about the current percentage of revenue

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The 2003 Oregon Legislature established a state lodging tax. The revenue this tax generates funds the Oregon Tourism Commission programs and is currently 1.5 percent of the amount charged for occupancy of transient lodging. Cities and counties may also have a lodging tax, which is set by the local government entity.

There is a tax moratorium on cities and counties that limits new or increased transient lodging taxes, unless the revenues pay for tourism promotion or tourism-related facilities, fund city or county services, or finance or refinance the debt of tourism-related facilities. No more than 30 percent of the net revenue from a new or increased local transient lodging tax may be used to fund city or county services.