

# House Bill 4146

Sponsored by Representatives NATHANSON, MCKEOWN; Senators BEYER, EDWARDS, ROBLAN (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases state transient lodging tax rate.

Requires Oregon Tourism Commission to spend 15 percent of state transient lodging tax revenues rather than current "as much as 15 percent" to implement regional cooperative tourism program. Broadens type of programs for which appropriated state transient lodging tax moneys may be spent from "tourism marketing programs" to "tourism programs."

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the state transient lodging tax; creating new provisions; amending ORS 284.131 and  
3 320.305; prescribing an effective date; and providing for revenue raising that requires approval  
4 by a three-fifths majority.

5 Whereas Enrolled House Bill 2267 (chapter 818, Oregon Laws 2003), the original statewide  
6 transient lodging tax bill, established a stable and permanent tourism funding source for the State  
7 of Oregon; and

8 Whereas the protection and stability of tourism revenues resulting from the passage of House  
9 Bill 2267 has contributed to increases of 18 percent in direct tourism employment, 58 percent in  
10 visitor spending and 74 percent in transient lodging tax revenues since 2003; and

11 Whereas the protection and stability of tourism promotion revenues help develop stronger  
12 working relationships among destination marketing organizations and enhance the effects of the  
13 collective marketing and sales efforts for the State of Oregon; and

14 Whereas the protection and stability of these tourism promotion revenues can help attract more  
15 domestic and international visitors to Oregon with large-scale events throughout the state, make  
16 Oregon communities more competitive in the global tourism marketplace and create jobs for  
17 Oregonians; and

18 Whereas it is the intention of the Seventy-eighth Legislative Assembly to enhance past legisla-  
19 tive action with the following statutory changes; now, therefore,

20 **Be It Enacted by the People of the State of Oregon:**

21 **SECTION 1.** ORS 320.305 is amended to read:

22 320.305. (1)(a) A tax of [*one*] **two** percent is imposed on any consideration rendered for the sale,  
23 service or furnishing of transient lodging.

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

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) The tax shall be collected by the transient lodging tax collector that receives the consider-  
 2 ation rendered for occupancy of the transient lodging.

3 (d) The tax imposed by this subsection is in addition to and not in lieu of any local transient  
 4 lodging tax.

5 (2) The transient lodging tax collector may withhold a collection reimbursement charge of five  
 6 percent of the amount collected under subsection (1) of this section.

7 **SECTION 2. The amendments to ORS 320.305 by section 1 of this 2016 Act apply to con-**  
 8 **sideration rendered on or after the effective date of this 2016 Act for the sale, service or**  
 9 **furnishing of transient lodging.**

10 **SECTION 3.** ORS 284.131 is amended to read:

11 284.131. (1) All moneys collected, received by or appropriated to the Oregon Tourism Commis-  
 12 sion must be deposited into an account established by the commission in a depository bank insured  
 13 by the Federal Deposit Insurance Corporation. In a manner consistent with the requirements of ORS  
 14 chapter 295, the chair of the commission shall ensure that sufficient collateral secures any amount  
 15 of funds on deposit that exceeds the limits of the Federal Deposit Insurance Corporation's coverage.

16 (2) Subject to the approval of the chair, the commission may invest moneys collected or received  
 17 by the commission. Investments made by the commission must be limited to investments described  
 18 in ORS 294.035 (3)(a) to (i).

19 (3) Interest earned on any moneys invested under subsection (2) of this section must be made  
 20 available to the commission in a manner consistent with the biennial budget of the commission.

21 (4) The commission shall spend state transient lodging tax moneys appropriated to the commis-  
 22 sion under ORS 320.335 as follows:

23 (a) At least 80 percent must be used to fund state tourism [*marketing*] programs.

24 (b) [*As much as*] 15 percent must be used to implement a regional cooperative tourism  
 25 [*marketing*] program that:

26 (A) Requires fund allocations to focus on creating new business from out-of-state and interna-  
 27 tional markets;

28 (B) Utilizes a regional allocation formula that distributes revenue to regions, the boundaries of  
 29 which are established by the commission, in proportion to the amount of transient lodging tax re-  
 30 venues collected in each region;

31 (C) Distributes revenue to recipients that are selected by the commission as organizations able  
 32 to conduct tourism-related marketing for each region;

33 (D) Requires advertising, publications, CD-ROMs, websites, videos and other tourism promotion  
 34 materials funded through the regional cooperative tourism [*marketing*] program to carry the Oregon  
 35 Tourism Commission logo and marketing tag line; and

36 (E) Encourages funding recipients to incorporate design elements from commission advertising  
 37 and promotional campaigns, such as fonts, images and other design elements.

38 (5) All moneys in the account that are not state transient lodging tax revenues are continuously  
 39 appropriated to the commission for the purposes of carrying out the functions of the commission.

40 (6) All expenditures from the account are exempt from any state expenditure limitation.

41 **SECTION 4. The amendments to ORS 284.131 by section 3 of this 2016 Act apply to mon-**  
 42 **eys transferred to the account of the Oregon Tourism Commission pursuant to ORS 320.335**  
 43 **on or after the effective date of this 2016 Act.**

44 **SECTION 5. This 2016 Act takes effect on the 91st day after the date on which the 2016**  
 45 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

