

House Bill 2744

Sponsored by Representatives HUFFMAN, BUEHLER, JOHNSON; Representative WHISNANT

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**.

Amends definition of "tourism-related facility" to include improvements to real property that have substantial purpose of supporting, promoting or accommodating tourism or tourist activities.

Provides that local governments may not decrease percentage of grandfathered local transient lodging tax revenues actually expended to fund tourism promotion or tourism-related facilities below percentage actually expended as of July 2, 2003. Removes requirement that local governments that agreed on or before July 1, 2003, to increase percentage of local transient lodging tax revenues expended to fund tourism promotion or tourism-related facilities must increase percentage as agreed.

Authorizes costs of maintenance of tourism-related facilities as permissible expenditure for new or increased local transient lodging tax.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the expenditure of local transient lodging tax revenue; creating new provisions; amend-
3 ing ORS 320.300 and 320.350; and prescribing an effective date.

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

5 **SECTION 1.** ORS 320.300 is amended to read:

6 320.300. As used in ORS 320.300 to 320.350:

7 (1) "Collection reimbursement charge" means the amount a transient lodging tax collector may
8 retain as reimbursement for the costs incurred by the transient lodging tax collector in collecting
9 and reporting a transient lodging tax and in maintaining transient lodging tax records.

10 (2) "Conference center" means a facility that:

11 (a) Is owned or partially owned by a unit of local government, a governmental agency or a
12 nonprofit organization; and

13 (b) Meets the current membership criteria of the International Association of Conference Cen-
14 ters.

15 (3) "Convention center" means a new or improved facility that:

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

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

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

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

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

25 (4) "Local transient lodging tax" means a tax imposed by a unit of local government on the sale,
26 service or furnishing of transient lodging.

27 (5) "State transient lodging tax" means the tax imposed under ORS 320.305.

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 (6) "Tourism" means economic activity resulting from tourists.
- 2 (7) "Tourism promotion" means any of the following activities:
- 3 (a) Advertising, publicizing or distributing information for the purpose of attracting and wel-
- 4 coming tourists;
- 5 (b) Conducting strategic planning and research necessary to stimulate future tourism develop-
- 6 ment;
- 7 (c) Operating tourism promotion agencies; and
- 8 (d) Marketing special events and festivals designed to attract tourists.
- 9 (8) "Tourism promotion agency" includes:
- 10 (a) An incorporated nonprofit organization or governmental unit that is responsible for the
- 11 tourism promotion of a destination on a year-round basis.
- 12 (b) A nonprofit entity that manages tourism-related economic development plans, programs and
- 13 projects.
- 14 (c) A regional or statewide association that represents entities that rely on tourism-related
- 15 business for more than 50 percent of their total income.
- 16 (9) "Tourism-related facility" means:
- 17 (a) A conference center, convention center or visitor information center; and
- 18 (b) Other improved real property **or improvements to real property**, that [*has a useful life of*
- 19 *10 or more years and has*] **have** a substantial purpose of supporting [*tourism*], **promoting** or ac-
- 20 commodating **tourism or** tourist activities.
- 21 (10) "Tourist" means a person who, for business, pleasure, recreation or participation in events
- 22 related to the arts, heritage or culture, travels from the community in which that person is a resi-
- 23 dent to a different community that is separate, distinct from and unrelated to the person's commu-
- 24 nity of residence, and that trip:
- 25 (a) Requires the person to travel more than 50 miles from the community of residence; or
- 26 (b) Includes an overnight stay.
- 27 (11) "Transient lodging" means:
- 28 (a) Hotel, motel and inn dwelling units that are used for temporary overnight human occupancy;
- 29 (b) Spaces used for parking recreational vehicles or erecting tents during periods of human oc-
- 30 cupancy; or
- 31 (c) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any
- 32 of these dwelling units, that are used for temporary human occupancy.
- 33 (12) "Transient lodging intermediary" means a person other than a transient lodging provider
- 34 that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodg-
- 35 ing.
- 36 (13) "Transient lodging provider" means a person that furnishes transient lodging.
- 37 (14) "Transient lodging tax collector" means a transient lodging provider or a transient lodging
- 38 intermediary.
- 39 (15) "Unit of local government" has the meaning given that term in ORS 190.003.
- 40 (16) "Visitor information center" means a building, or a portion of a building, the main purpose
- 41 of which is to distribute or disseminate information to tourists.

42 **SECTION 2.** ORS 320.350 is amended to read:

43 320.350. (1) A unit of local government that did not impose a local transient lodging tax on July

44 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition

45 of the local transient lodging tax was approved on or before July 1, 2003.

1 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
 2 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is
 3 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July
 4 1, 2003.

5 (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
 6 not decrease the percentage of total local transient lodging tax revenues that are actually expended
 7 to fund tourism promotion or tourism-related facilities *[on or after]* **below the percentage that was**
 8 **actually expended as of July 2, 2003.** *[A unit of local government that agreed, on or before July 1,*
 9 *2003, to increase the percentage of total local transient lodging tax revenues that are to be expended*
 10 *to fund tourism promotion or tourism-related facilities, must increase the percentage as agreed.]*

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

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

17 (b) The unit of local government shall thereafter eliminate the new tax or increase in tax oth-
 18 erwise described in subsection (1) or (2) of this section.

19 (5) Subsections (1) and (2) of this section do not apply to a new or increased local transient
 20 lodging tax if all of the net revenue from the new or increased tax, following reductions attributed
 21 to collection reimbursement charges, is used consistently with subsection (6) of this section to:

22 (a) Fund tourism promotion or tourism-related facilities, **including the costs of maintenance**
 23 **of the tourism-related facilities;**

24 (b) Fund city or county services; or

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

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

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

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

35 *[(7)(a)(A) A local transient lodging tax must be computed on the total retail price, including all*
 36 *charges other than taxes, paid by a person for occupancy of the transient lodging.]*

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

40 *[(b) The tax shall be collected by the transient lodging tax collector that receives the consideration*
 41 *rendered for occupancy of the transient lodging.]*

42 **SECTION 3. Section 4 of this 2017 Act is added to and made a part of ORS 320.300 to**
 43 **320.350.**

44 **SECTION 4. (1)(a) A local transient lodging tax must be computed on the total retail**
 45 **price, including all charges other than taxes, paid by a person for occupancy of the transient**

1 **lodging.**

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

5 **(2) The tax shall be collected by the transient lodging tax collector that receives the**
6 **consideration rendered for occupancy of the transient lodging.**

7 **SECTION 5.** **This 2017 Act takes effect on the 91st day after the date on which the 2017**
8 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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