

DRAFT

SUMMARY

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

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

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

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

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

16 Whereas the protection and stability of these tourism promotion revenues
17 can help attract more domestic and international visitors to Oregon with
18 large-scale events throughout the state, make Oregon communities more

1 competitive in the global tourism marketplace and create jobs for
2 Oregonians; and

3 Whereas it is the intention of the Seventy-eighth Legislative Assembly to
4 enhance past legislative action with the following statutory changes; now,
5 therefore,

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

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

8 320.305. (1)(a) A tax of [*one*] **two** percent is imposed on any consideration
9 rendered for the sale, service or furnishing of transient lodging.

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

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

17 (c) The tax shall be collected by the transient lodging tax collector that
18 receives the consideration rendered for occupancy of the transient lodging.

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

21 (2) The transient lodging tax collector may withhold a collection re-
22 imbursement charge of five percent of the amount collected under subsection
23 (1) of this section.

24 **SECTION 2.** **The amendments to ORS 320.305 by section 1 of this**
25 **2016 Act apply to consideration rendered on or after the effective date**
26 **of this 2016 Act for the sale, service or furnishing of transient lodging.**

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

28 284.131. (1) All moneys collected, received by or appropriated to the
29 Oregon Tourism Commission must be deposited into an account established
30 by the commission in a depository bank insured by the Federal Deposit In-
31 surance Corporation. In a manner consistent with the requirements of ORS

1 chapter 295, the chair of the commission shall ensure that sufficient collat-
2 eral secures any amount of funds on deposit that exceeds the limits of the
3 Federal Deposit Insurance Corporation's coverage.

4 (2) Subject to the approval of the chair, the commission may invest mon-
5 eys collected or received by the commission. Investments made by the com-
6 mission must be limited to investments described in ORS 294.035 (3)(a) to (i).

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

10 (4) The commission shall spend state transient lodging tax moneys ap-
11 propriated to the commission under ORS 320.335 as follows:

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

14 (b) [*As much as*] 15 percent must be used to implement a regional coop-
15 erative tourism [*marketing*] program that:

16 (A) Requires fund allocations to focus on creating new business from
17 out-of-state and international markets;

18 (B) Utilizes a regional allocation formula that distributes revenue to re-
19 gions, the boundaries of which are established by the commission, in pro-
20 portion to the amount of transient lodging tax revenues collected in each
21 region;

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

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

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

31 (5) All moneys in the account that are not state transient lodging tax

1 revenues are continuously appropriated to the commission for the purposes
2 of carrying out the functions of the commission.

3 (6) All expenditures from the account are exempt from any state expend-
4 iture limitation.

5 **SECTION 4. The amendments to ORS 284.131 by section 3 of this**
6 **2016 Act apply to moneys transferred to the account of the Oregon**
7 **Tourism Commission pursuant to ORS 320.335 on or after the effective**
8 **date of this 2016 Act.**

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

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