

# BUDGET MODIFICATION



# LEGISLATIVE HISTORY

## ORS Chapter 284 & 320

### Organizing Statutes (2003)

- **Implemented 1% Statewide Lodging Tax to fund Oregon Tourism Commission, dba Travel Oregon**
- **Established Travel Oregon as a semi-independent state agency**
- **Protected local lodging taxes**
  - **Existing local rates and allocations for tourism were "grandfathered"**
  - **Future increases in local lodging tax rates require at least 70% dedicated to tourism**

# LEGISLATIVE HISTORY

## 2016 LEGISLATION (HB 4146)

- **ORS 284 (4) (b) + (c) Commission Account; disposition of moneys...**
- **Increased state lodging tax from 1% to 1.8% effective July 1, 2016 & decreases to 1.5% effective July 1, 2020**
- **Directs 20% of state lodging tax to implement the Regional Cooperative Tourism Program & 10% to the Competitive Grants Program**

78th OREGON LEGISLATIVE ASSEMBLY--2016 Regular Session

Enrolled

### House Bill 4146

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

CHAPTER .....

AN ACT

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

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

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

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

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

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

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

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

320.305. (1)(a) A tax of [one] **1.8** percent is imposed on any consideration rendered for the sale, service or furnishing of transient lodging.

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

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

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

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

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

# LEGISLATIVE HISTORY

## ORS Chapter 284

- **284.111 Duties of the Commission**

### **The Commission shall**

- **Prepare, approve and periodically revise and submit...a recommended comprehensive marketing plan**
- **Develop a biennial budget for all operations**
- **Seek and receive the views of all levels of government and the private sector**
- **Prepare and adopt administrative rules**
- **Cooperate with educational institutions of the state**
- **Implement the comprehensive marketing plan**

# LEGISLATIVE HISTORY

## ORS Chapter 284

- **284.126 Budget; financial records and statements**

### **The Commission shall**

- **Adopt budgets on a biennial basis...**
- **Adopt or modify a budget only after a public hearing...**
- **Follow generally accepted accounting principles and keep such financial and statistical information...**
- **Prepare an annual financial statement of Commission revenues and expenses...**

# LEGISLATIVE HISTORY

## ORS Chapter 284

- **284.142 (4) Executive Director**

### **The Commission may**

- **...Delegate to the executive director any duty, function or power conferred or imposed on the commission...**

# LEGISLATIVE HISTORY

## ORS Chapter 284

- **284.142 (5) Executive Director**

**The Commission may not delegate the power to**

- **Approve the comprehensive marketing plan...**
- **Approve the biennial budget**
- **Appoint and set the compensation of the executive director**

# 2017-2019

## Transient Lodging Tax

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Budget	Actual	Variance
\$75,340,000	\$78,596,783	\$3,256,783

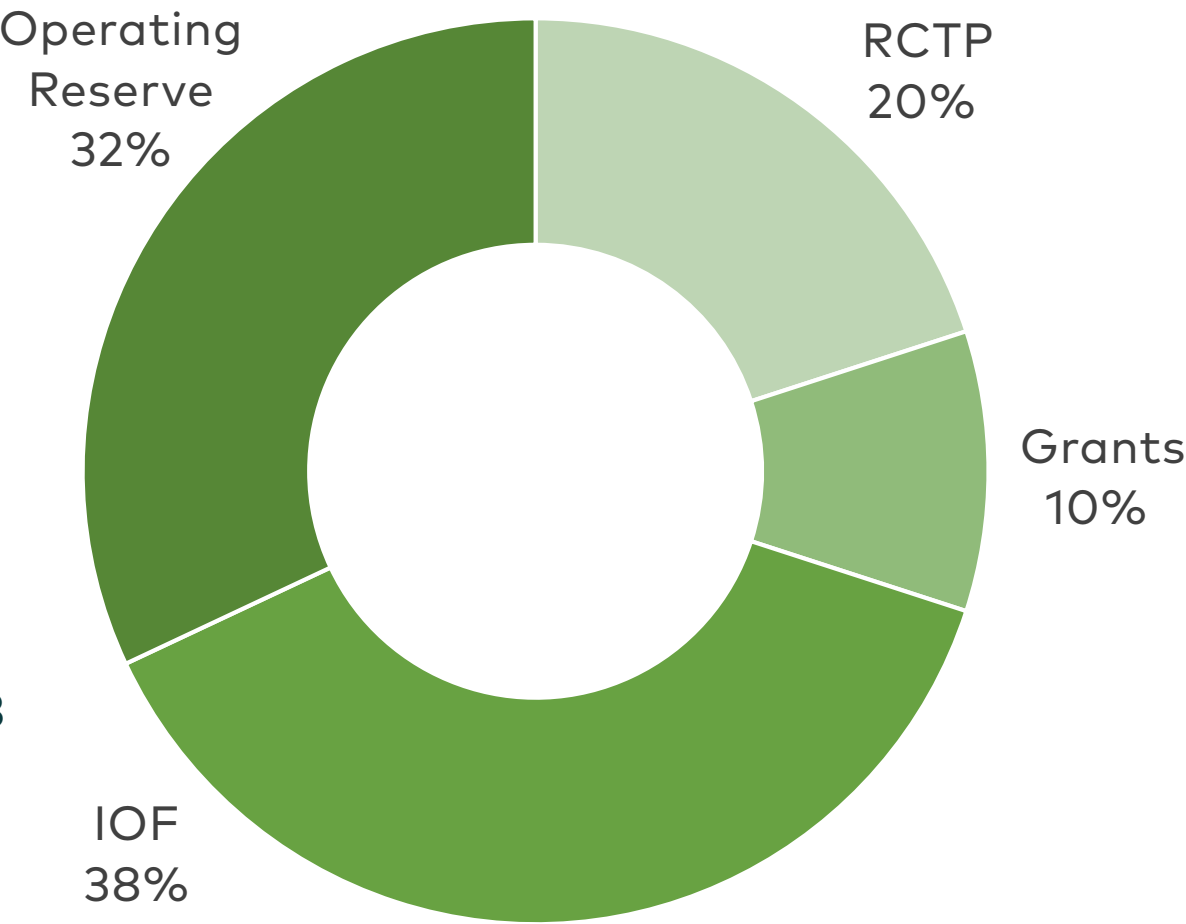


# BUDGET MODIFICATION

Staff Recommendation

**Total for Commission Action: \$3,256,783**

- **Regional Program \$651,320**
- **Grants Program \$325,678**
- **Administration & Operations**
  - **Reserve \$1,041,776**
  - **Immediate Opportunity Fund \$1,238,008**





Thank You