***ENGROSSED* ORDINANCE BILL NO. 4-26**

AN ORDINANCE RELATING TO TOURISM PROMOTION; AMENDING SRC SECTIONS 38.020 and 38.040.

The City of Salem ordains as follows:

Section 1. SRC 38.020 is hereby amended as set forth below:

Sec. 38.020. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Booking agent means any person that provides a means through which a host or other operator may offer transient lodging for occupancy, usually, though not necessarily, via an online platform that allows a host or other operator to advertise transient lodging through a website and that provides a way for potential users to arrange transient lodging occupancy and payment, regardless of whether the transient pays rent directly to the host or to the booking agent. Booking agents include, but are not limited to:

(1) Online booking sites which are involved in listing and booking transient lodging and handle any aspect of the resulting financial transaction;

(2) Online booking sites for transient lodging where advertisements of transient lodging are displayed;

(3) A hosting or other online site that provides a means through which an operator may offer transient lodging for occupancy;

(4) Any person who lists commercial transient lodging for occupancy;

(5) Any person who directly or indirectly accepts, receives or facilitates payment, whether or not the person is the ultimate recipient of the payment, including through Application Programming Interfaces (APIs) or other computerized devices where third-party providers receive information about a transaction and collect funds for the transient lodging occupancy from a transient; or

(6) Any transient lodging provider, transient lodging intermediary, or transient lodging tax collector as defined in ORS 320.300.

Destination Marketing Organization ("DMO") means a non-profit organization, designated by the City, that is responsible for the promotion of Salem on a year-round basis; manages tourism-related economic development plans, programs, and projects targeting the visitor industry including leisure visitors, corporate travelers, conventions, groups, and sports, and represents the interests of tourism-related businesses.

Occupancy means the use or possession, or the right to the use or possession, for lodging or sleeping purposes of any room or rooms in transient lodging.

Operator means:

(1) Any person that is a proprietor of transient lodging in any capacity; or

(2) Any person that provides transient lodging for occupancy to the public for compensation. The provision of transient lodging can be done through employees, contractors, agents, or any other person allowed to process reservations and accept payment for the transient lodging on behalf of the transient lodging provider;

(3) Any person who facilitates the reservation of transient lodging and collects payment for the transient lodging reservation;

(4) A booking agent as defined by this chapter; or

(5) A transient lodging intermediary as defined in ORS 320.300.

~~A "host" or "hosting platform" as defined by SRC chapter 37 is not an operator as defined by this section.~~

Rent means the full consideration paid or payable by a transient for the right to occupy transient lodging, valued in money, goods, labor, gift cards, credits, property, or other consideration of value, without any deduction.

Transient means any individual who exercises occupancy or is entitled to occupancy in transient lodging for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. The day a transient checks out of the transient lodging shall not be included in determining the period of occupancy if the transient is not charged rent for that day by the operator. Any such individual so occupying space in transient lodging shall be deemed to be a transient until a period of 30 days has expired unless there is an agreement in

writing between the operator and the occupant providing for a longer period of occupancy and the occupancy actually extends for more than 30 consecutive calendar days. A person who pays for lodging on a monthly basis, irrespective of the number of days in such month, shall not be deemed a transient.

Transient lodging or *transient lodging facility* means any structure or premises, or any portion of a structure or premises, which is used, occupied, intended, or designed for transient occupancy for 30 days or less for dwelling, lodging, or sleeping purposes, and includes, but is not limited to, any hotel, motel, inn, studio hotel, boutique hotel, bed and breakfast, tourist home, vacation home, single family dwelling, duplex, condominium, cabin, accessory short-term rental, short-term rental, manufactured dwelling, lodging house, rooming house, apartment house, public or private dormitory, hostel, fraternity, sorority, public or private club, corporate housing, houseboat, space in a mobile home park, space in a trailer park, space in a campground, or similar premises or portions thereof so occupied, provided such occupancy is for a period of 30 days or less.

~~Notwithstanding any other provision of this Chapter, an accessory short term rental or a short term rental, as those terms are defined in SRC 111.001, are not transient lodging as defined by this section and is not subject to the fee established herein.~~

Sec. 38.040. TPA formation; dissolution.

(a) Prior to the formation of a Tourism Promotion Area:

(1) The City Council shall conduct a public hearing to determine whether: 1) to undertake the economic improvement activities allowed under this chapter; 2) whether the businesses benefitted under the activities should bear all or a portion of the cost of the activities; 3) the amount of the TPA fee, and; 4) consider any objections of persons subject to the proposed TPA fee . The public hearing shall be conducted in accordance with City Council rules for legislative proceedings in non-land use matters.

(2) Notice. Public notice of the hearing shall be by first class mail to all operators <u>except for booking agents</u> as defined by SRC 38.020.

(3) Mailed notice. The mailed notice shall be provided as follows:

a. The City shall mail notice of the public hearing not less than 30 days prior to the public hearing. An affidavit of mailing shall be prepared and made part of the file.

b. Mailed notice shall include the amount of the TPA fee being considered, and the date, time, and place of the hearing at which affected persons may appear to provide testimony.

(4) Remonstrance. The TPA shall not be imposed if written objections are received prior to the conclusion of the public hearing from more than 33 percent of persons within the TPA that are subject to the proposed TPA fee. Operators, except for booking agents, ~~Persons~~ within the TPA that are subject to the TPA fee shall be entitled to one objection for each separate unit that is offered for transient lodging for a minimum of 60 days prior to the date of the public hearing. For purposes of this section, a unit is offered for transient lodging if it is advertised for rent through a booking agent or other publication. The Director may require an operator to provide evidence of eligible units as is reasonably necessary for the Director to make the determination.

(b) Dissolution. Within 60 days the receipt of a petition for dissolution of the TPA, signed by more than 33 percent of persons within the TPA that are subject to the TPA fee, the TPA shall be dissolved. Upon the dissolution of the TPA, all remaining funds, less any City administrative costs, shall be disbursed to the DMO to be used for purposes consistent with this chapter.

Section 2. Codification. In preparing this ordinance for publication and distribution, the City Recorder shall not alter the sense, meaning, effect or substance of this ordinance, but within such limitations, may:

(a) Renumber sections and parts of sections of the ordinance;

(b) Rearrange sections;

(c) Change reference numbers to agree with renumbered chapters, sections or other parts;

(d) Delete references to repealed sections;

(e) Substitute the proper subsection, section or chapter, or other division numbers;

(f) Change capitalization and spelling for the purpose of uniformity;

(g) Add headings for purposes of grouping like sections together for ease of reference; and

(h) Correct manifest clerical, grammatical or typographical errors.

Section 3. Severability. Each section of this ordinance, and any part thereof, is severable, and if any part of this ordinance is held invalid by a court of competent jurisdiction, the remainder of this ordinance shall remain in full force and effect.

Section 4. Effective Date. This ordinance shall be effective on May 1, 2026.

PASSED by the City Council this _____ day of _____, 2026.

ATTEST:

City Recorder

Approved by City Attorney: _____

Checked by: D. Atchison