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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.

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

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

9 *Operator* means:

- 10 (1) Any person that is a proprietor of transient lodging in any capacity; or
11 (2) Any person that provides transient lodging for occupancy to the public for
12 compensation. The provision of transient lodging can be done through employees,
13 contractors, agents, or any other person allowed to process reservations and
14 accept payment for the transient lodging on behalf of the transient lodging
15 provider;
16 (3) Any person who facilitates the reservation of transient lodging and collects
17 payment for the transient lodging reservation;
18 (4) A booking agent as defined by this chapter; or
19 (5) A transient lodging intermediary as defined in ORS 320.300.

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

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

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

1 writing between the operator and the occupant providing for a longer period of
 2 occupancy and the occupancy actually extends for more than 30 consecutive
 3 calendar days. A person who pays for lodging on a monthly basis, irrespective of

4 *Transient lodging* or *transient lodging facility* means any structure or premises, or
 5 any portion of a structure or premises, which is used, occupied, intended, or
 6 designed for transient occupancy for 30 days or less for dwelling, lodging, or
 7 sleeping purposes, and includes, but is not limited to, any hotel, motel, inn, studio
 8 hotel, boutique hotel, bed and breakfast, tourist home, vacation home, single
 9 family dwelling, duplex, condominium, cabin, accessory short-term rental, short-
 10 term rental, manufactured dwelling, lodging house, rooming house, apartment
 11 house, public or private dormitory, hostel, fraternity, sorority, public or private
 12 club, corporate housing, houseboat, space in a mobile home park, space in a
 13 trailer park, space in a campground, or similar premises or portions thereof so
 14 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.~~

15 **Sec. 38.040. TPA formation; dissolution.**

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

- 17 (1) The City Council shall conduct a public hearing to determine whether: 1) to
 18 undertake the economic improvement activities allowed under this chapter; 2)
 19 whether the businesses benefitted under the activities should bear all or a portion
 20 of the cost of the activities; 3) the amount of the TPA fee, and; 4) consider any
 21 objections of persons subject to the proposed TPA fee . The public hearing shall
 22 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
except for booking agents as defined by SRC 38.020.
- (3) Mailed notice. The mailed notice shall be provided as follows:

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

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

5 (4) Remonstrance. The TPA shall not be imposed if written objections are received
6 prior to the conclusion of the public hearing from more than 33 percent of persons
7 within the TPA that are subject to the proposed TPA fee. Operators, except for
8 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.

9 (b) Dissolution. Within 60 days the receipt of a petition for dissolution of the TPA,
10 signed by more than 33 percent of persons within the TPA that are subject to the
11 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
12 DMO to be used for purposes consistent with this chapter.

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

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

16 (b) Rearrange sections;

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

18 (d) Delete references to repealed sections;

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

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

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

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

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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