Ballot Measure 6-231:
Bandon Transient Lodging Tax Increase

OFFICIAL TITLE
City of Bandon Transient Lodging Tax Increase

QUESTION
Should the City Adopt an Enhanced Transient Lodging Tax of 2.5%?

REFERRAL
This measure was referred to the ballot by the Bandon City Council by a unanimous vote. If approved by the voters in the November 3, 2026, General Election, the increase would become effective January 1, 2027.

FINANCIAL IMPACT
This measure will not increase property taxes; rather, it will increase the Transient Lodging Tax (TLT) from 9.5% to 12% by adding 2.5% to the Enhanced Services portion of the TLT, generating additional funding for tourism and for lawful municipal purposes. The increase will take effect January 1, 2027.

PROBABLE RESULTS OF A “YES” VOTE
If approved by the voters, the 2.5% increase in the Enhanced Services Lodging Tax is expected to generate additional revenue for the City. The actual amount of additional revenue will depend on future lodging activity.

PROBABLE RESULTS OF A “NO” VOTE
The transient lodging tax rate in Bandon will remain the same.

BACKGROUND
The Transient Lodging Tax (TLT) is a percentage of the cost of overnight lodging at any transient lodging within Bandon City limits, including hotels, motels, and vacation-rental-by-owner properties. This fee is collected by the lodging operator, recorded in accounting practices, declared on taxes, and turned over to the city in their financial statements.

The City of Bandon divides the TLT into two parts: (1) the Base Lodging Tax of 6%—20% of which is used for tourism promotion and tourism-related facilities, and 80% of which is used for lawful municipal purposes (city services)—and (2) the Enhanced Services Lodging Tax, which has been 3.5%. It is the Enhanced Services Lodging Tax that this measure seeks to increase, from 3.5% to 6%, for an overall TLT of 12%.

Previously, the Enhanced Services Lodging Tax revenues were used at the rate of 70% for tourism promotion and 30% for Bandon's general fund. Oregon House Bill 4148, passed in 2026, amended ORS 320.350 to allow a greater percentage of TLT revenue to be applied to the general fund at the discretion of any city proposing the tax. So the increased Enhanced Services Lodging Tax would henceforth be divided at the rate of 50% for tourism promotion and 50% for City services. The Base Lodging Tax allocations would remain the same.

PROPOSAL

The City of Bandon currently has a Transient Lodging Tax of 9.5%. This measure would increase the total Transient Lodging Tax to 12% by adding an enhancement of 2.5%. As required by Oregon law, 50% of the revenue generated by the tax enhancement would be used for tourism promotion and the development, improvement, and maintenance of tourism-related facilities. The remaining 50% would be available for lawful municipal purposes.

An example: Currently, a tourist who pays $1,000 for lodging pays $95.00 in Transient Lodging Tax, $36.50 of which is allocated to tourism and $58.50 to other city purposes. If this proposal passes, the tourist would pay $120.00 in tax, $42.00 allocated to tourism and $78.00 to other city purposes.

SUPPORTERS SAY:

The increase in tax will not be paid by local property owners. Rather, it will be paid by those who reserve lodging within the City limits. This is a small increase to an existing tax on lodging that is collected on every rental transaction. No committees have been formed to support this measure.

OPPONENTS SAY:

There is no organized opposition to this measure.