

423A.4 Locally imposed hotel and motel tax.

1. A city, a county, or a land use district created under [chapter 303](#) may impose, by ordinance of the city council or by resolution of the board of supervisors or by ordinance of the board of trustees, a hotel and motel tax, at a rate not to exceed seven percent, which shall be imposed in increments of one or more full percentage points upon the sales price from the renting of lodging. The tax when imposed by a city shall apply only within the corporate boundaries of that city, when imposed by a county shall apply only outside incorporated areas within that county, and when imposed by a land use district shall apply only within the corporate boundaries of that district. A hotel and motel tax imposed by a city or county shall not be imposed within the corporate boundaries of a land use district during any period of time that the land use district is imposing a hotel and motel tax.

2. Within ten days of the election at which a majority of those voting on the question favors the imposition, repeal, or change in the rate of the hotel and motel tax, the county auditor shall give written notice by sending a copy of the abstract of votes from the favorable election to the director of revenue.

3. A local hotel and motel tax shall be imposed on January 1 or July 1, following the notification of the director of revenue. Once imposed, the tax shall remain in effect at the rate imposed for a minimum of one year. A local hotel and motel tax shall terminate only on June 30 or December 31. At least forty-five days prior to the tax being effective or prior to a revision in the tax rate or prior to the repeal of the tax, a city, county, or land use district shall provide notice by mail of such action to the director of revenue. The director shall have the authority to waive the notice requirement.

4. *a.* A city, county, or land use district shall impose or repeal a hotel and motel tax or increase or reduce the tax rate only after an election at which a majority of those voting on the question favors imposition, repeal, or change in rate. However, a hotel and motel tax of a city or county shall not be repealed or reduced in rate if obligations are outstanding which are payable as provided in [section 423A.7](#), unless funds sufficient to pay the principal, interest, and premium, if any, on the outstanding obligations at and prior to maturity have been properly set aside and pledged for that purpose.

b. If the tax applies only within the corporate boundaries of a city, only the registered voters of the city shall be permitted to vote. The election shall be held at the time of the regular city election or at a special election called for that purpose. If the tax applies only in the unincorporated areas of a county or only within the corporate boundaries of a land use district, only the registered voters of the unincorporated areas of the county or the registered voters of the land use district, as applicable, shall be permitted to vote. The election shall be held at the time of the general election or at a special election called for that purpose.

5. The locally imposed hotel and motel tax shall be collected and remitted as provided in [section 423A.5A](#).

[2005 Acts, ch 140, §22; 2007 Acts, ch 186, §24; 2008 Acts, ch 1115, §105; 2017 Acts, ch 158, §2; 2018 Acts, ch 1161, §248, 255](#)

Referred to in [§423A.5A, 423A.7](#)