

Reprinted 2/79

FEB 23 1979

HOUSE FILE 632

WAYS & MEANS CALENDAR

BY COMMITTEE ON WAYS AND MEANS

(Formerly Study Bill 47A)

Passed House, Date 3-6-79 (p. 723) Passed Senate, Date _____

Vote: Ayes 83 Nays 13 Vote: Ayes _____ Nays _____

Approved June 7, 1979

*Adopted to amend 2/79
with 2/79 (p. 845)*

A BILL FOR

1 An Act relating to the issuance of bonds to be paid from the
2 revenues received from a local hotel and motel tax, the
3 payment of the principal and interest of the bonds and
4 the limitation on the levying of a tax to aid in the
5 payment of the bonds.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 632

H-3263

1 Amend House File 632 as follows:
2 1. Page 3, by inserting after line 15 the
3 following:
4 "NEW PARAGRAPH. Bonds shall not be issued payable
5 as provided in this section unless the issuance of
6 the bonds has been authorized by an election, or the
7 bonds are issued prior to November 1, 1982 payable
8 from a hotel and motel tax which was authorized at
9 an election held prior to July 1, 1979."

H-3263 FILED *Adopted, reconsidered 9* BY CONLON of Muscatine
FEBRUARY 28, 1979 *readopted 2/6*
(pp. 722-723)

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1 Section 1. Section four hundred twenty-two A point one
2 (422A.1), unnumbered paragraphs two (2) and three (3), Code
3 1979, are amended to read as follows:

4 A local hotel and motel tax shall be imposed on January
5 1 first, April 1 first, July 1 first, or ~~September-1~~ October
6 first, following the notification of the director of revenue.
7 Once imposed, the tax shall remain in effect at the rate
8 imposed for a minimum of one year. A local hotel and motel
9 tax shall terminate only on March ~~31~~ thirty-first, June ~~30~~
10 thirtieth, September ~~30~~ thirtieth, or December ~~31~~ thirty-
11 first. At least sixty days prior to the tax being effective
12 or prior to a revision in the tax rate, or prior to the repeal
13 of the tax, a city or county shall provide notice by certified
14 mail of such action to the director of revenue.

15 A city or county shall impose, repeal or change the rate
16 of a hotel and motel tax, only after an election at which
17 a majority of those voting on the question favors imposition,
18 repeal or change. However, a hotel and motel tax shall not
19 be repealed or reduced in rate if obligations are outstanding
20 which are payable as provided in section four hundred twenty-
21 two A point two (422A.2) of the Code, unless funds sufficient
22 to pay the principal, interest and premium, if any, on the
23 outstanding obligations at and prior to maturity have been
24 properly set aside and pledged for such purpose. The election
25 shall be held at the time of that city's or county's general
26 election.

27 Sec. 2. Section four hundred twenty-two A point two
28 (422A.2), subsection four (4), paragraph c, Code 1979, is
29 amended to read as follows:

30 c. Any city or county which levies and collects the hotel
31 and motel tax authorized by this chapter may pledge irrevocably
32 an amount ~~not-to-exceed-thirty-percent~~ of the revenues derived
33 therefrom for each of the years the bonds remain outstanding
34 to the payment of bonds which the city or county may issue
35 for one or more of the purposes set forth in paragraph "a"

1 of this subsection. Any revenue pledged to the payment of
2 such bonds may be credited to the spending requirement of
3 paragraph "a" of this subsection.

4 Sec. 3. Section four hundred twenty-two A point two
5 (422A.2), subsection four (4), Code 1979, is amended by adding
6 the following new paragraphs:

7 NEW PARAGRAPH. The provisions of division three (III)
8 of chapter three hundred eighty-four (384) of the Code relating
9 to the issuance of essential corporate purpose bonds apply
10 to the issuance by a city of bonds payable as provided in
11 this section and the provisions of chapter twenty-three (23)
12 of the Code relating to the issuance of county bonds apply
13 to the issuance by a county of bonds payable as provided in
14 this section. The provisions of chapter seventy-six (76)
15 of the Code apply to the bonds payable as provided in this
16 section except that the mandatory levy to be assessed pur-
17 suant to section seventy-six point two (76.2) of the Code
18 shall be at a rate to generate an amount which together with
19 the receipts from the pledged portion of the hotel and motel
20 tax is sufficient to pay the interest and principal on the
21 bonds. All amounts collected as a result of the levy assessed
22 pursuant to section seventy-six point two (76.2) of the Code
23 and paid out in the first instance for bond principal and
24 interest shall be repaid to the city or county which levied
25 the tax from the first available hotel and motel tax
26 collections received in excess of the requirement for the
27 payment of the principal and interest of the bonds and when
28 repaid shall be applied in reduction of property taxes.

29 The amount of bonds which may be issued under section
30 seventy-six point three (76.3) of the Code shall be the amount
31 which could be retired from the actual collections of the
32 hotel and motel tax for the last four calendar quarters, as
33 certified by the director of revenue. The amount of tax
34 revenues pledged jointly by other cities or counties may be
35 considered for the purpose of determining the amount of bonds

1 which may be issued. If the hotel and motel tax has been
2 in effect for less than four calendar quarters, the tax
3 collected within the shorter period may be adjusted to project
4 the collections for the full year for the purpose of
5 determining the amount of the bonds which may be issued.

6 NEW PARAGRAPH. A city or county, jointly with one or more
7 other cities or counties as provided in chapter twenty-eight
8 E (28E) of the Code, may pledge irrevocably any amount derived
9 from the revenues of the hotel and motel tax to the support
10 or payment of bonds issued for a project within the purposes
11 set forth in paragraph a of this subsection and located within
12 one or more of the participatory cities or counties or may
13 apply the proceeds of its bonds to the support of any such
14 project. Revenue so pledged or applied shall be credited
15 to the spending requirement of paragraph a of this subsection.

16 EXPLANATION

17 This bill clarifies the provisions under which bonds,
18 which are to be paid from the revenues of a hotel and motel
19 tax, are to be issued. The bill also provides that a property
20 tax may be levied in order to aid in the payment of the
21 principal and interest of these bonds. The bill further
22 provides that any property tax levied must be repaid when
23 the receipts received from the hotel and motel tax are in
24 excess of those required for debt service and the amount
25 repaid would go to the reduction of property taxes. The bill
26 is effective July first following enactment.

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Sen. Ways & Means 3/12
To Pass 3/28 (p. 1004)

House File 632

Ways and Means
Readinger, Chairperson
Holden
Hutchins

HOUSE FILE 632

By COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House)

Passed House, Date 4-26-79 (p. 1842) Passed Senate, Date 4-18-79 (p. 1248)

Vote: Ayes 76 Nays 11 Vote: Ayes 47 Nays 0

Approved June 7, 1979

A BILL FOR

1 An Act relating to the issuance of bonds to be paid from the
2 revenues received from a local hotel and motel tax, the
3 payment of the principal and interest of the bonds and
4 the limitation on the levying of a tax to aid in the
5 payment of the bonds.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 632

S-3516

1 Amend House File 632 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 1, by striking lines 15 through 18 and
4 inserting in lieu thereof the following:
5 "A city or county shall impose a hotel and motel
6 tax or increase the tax rate, only after an election
7 at which a majority of those voting on the
8 question favors imposition or increase. However,
9 a hotel and motel tax shall not".

S-3516 FILED & ADOPTED (p. 1248) BY FORREST V. SCHWENGELS
APRIL 18, 1979

SENATE AMENDMENT TO
HOUSE FILE 632

H-4033

1 Amend House File 632 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 1, by striking lines 15 through 18 and
4 inserting in lieu thereof the following:
5 "A city or county shall impose a hotel and motel
6 tax or increase the tax rate, only after an election
7 at which a majority of those voting on the
8 question favors imposition or increase. However,
9 a hotel and motel tax shall not".

H-4033 FILED
APRIL 20, 1979

RECEIVED FROM THE SENATE

House concurred 4/26 (p. 1842)

1 Section 1. Section four hundred twenty-two A point one
2 (422A.1), unnumbered paragraphs two (2) and three (3), Code
3 1979, are amended to read as follows:

4 A local hotel and motel tax shall be imposed on January
5 ± first, April ± first, July ± first, or ~~September-±~~ October
6 first, following the notification of the director of revenue.
7 Once imposed, the tax shall remain in effect at the rate
8 imposed for a minimum of one year. A local hotel and motel
9 tax shall terminate only on March 3± thirty-first, June 30
10 thirtieth, September 30 thirtieth, or December 3± thirty-
11 first. At least sixty days prior to the tax being effective
12 or prior to a revision in the tax rate, or prior to the repeal
13 of the tax, a city or county shall provide notice by certified
14 mail of such action to the director of revenue.

15 A city or county shall impose, repeal or change the rate
16 of a hotel and motel tax, only after an election at which
17 a majority of those voting on the question favors imposition,
18 repeal or change. However, a hotel and motel tax shall not
19 be repealed or reduced in rate if obligations are outstanding
20 which are payable as provided in section four hundred twenty-
21 two A point two (422A.2) of the Code, unless funds sufficient
22 to pay the principal, interest and premium, if any, on the
23 outstanding obligations at and prior to maturity have been
24 properly set aside and pledged for such purpose. The election
25 shall be held at the time of that city's or county's general
26 election.

27 Sec. 2. Section four hundred twenty-two A point two
28 (422A.2), subsection four (4), paragraph c, Code 1979, is
29 amended to read as follows:

30 c. Any city or county which levies and collects the hotel
31 and motel tax authorized by this chapter may pledge irrevocably
32 an amount ~~not-to-exceed-thirty-percent~~ of the revenues derived
33 therefrom for each of the years the bonds remain outstanding
34 to the payment of bonds which the city or county may issue
35 for one or more of the purposes set forth in paragraph "a"

1 of this subsection. Any revenue pledged to the payment of
2 such bonds may be credited to the spending requirement of
3 paragraph "a" of this subsection.

4 Sec. 3. Section four hundred twenty-two A point two
5 (422A.2), subsection four (4), Code 1979, is amended by adding
6 the following new paragraphs:

7 NEW PARAGRAPH. The provisions of division three (III)
8 of chapter three hundred eighty-four (384) of the Code relating
9 to the issuance of essential corporate purpose bonds apply
10 to the issuance by a city of bonds payable as provided in
11 this section and the provisions of chapter twenty-three (23)
12 of the Code relating to the issuance of county bonds apply
13 to the issuance by a county of bonds payable as provided in
14 this section. The provisions of chapter seventy-six (76)
15 of the Code apply to the bonds payable as provided in this
16 section except that the mandatory levy to be assessed pur-
17 suant to section seventy-six point two (76.2) of the Code
18 shall be at a rate to generate an amount which together with
19 the receipts from the pledged portion of the hotel and motel
20 tax is sufficient to pay the interest and principal on the
21 bonds. All amounts collected as a result of the levy assessed
22 pursuant to section seventy-six point two (76.2) of the Code
23 and paid out in the first instance for bond principal and
24 interest shall be repaid to the city or county which levied
25 the tax from the first available hotel and motel tax
26 collections received in excess of the requirement for the
27 payment of the principal and interest of the bonds and when
28 repaid shall be applied in reduction of property taxes.

29 The amount of bonds which may be issued under section
30 seventy-six point three (76.3) of the Code shall be the amount
31 which could be retired from the actual collections of the
32 hotel and motel tax for the last four calendar quarters, as
33 certified by the director of revenue. The amount of tax
34 revenues pledged jointly by other cities or counties may be
35 considered for the purpose of determining the amount of bonds

1 which may be issued. If the hotel and motel tax has been
2 in effect for less than four calendar quarters, the tax
3 collected within the shorter period may be adjusted to project
4 the collections for the full year for the purpose of
5 determining the amount of the bonds which may be issued.

6 NEW PARAGRAPH. A city or county, jointly with one or more
7 other cities or counties as provided in chapter twenty-eight
8 E (28E) of the Code, may pledge irrevocably any amount derived
9 from the revenues of the hotel and motel tax to the support
10 or payment of bonds issued for a project within the purposes
11 set forth in paragraph a of this subsection and located within
12 one or more of the participatory cities or counties or may
13 apply the proceeds of its bonds to the support of any such
14 project. Revenue so pledged or applied shall be credited
15 to the spending requirement of paragraph a of this subsection.

16 NEW PARAGRAPH. Bonds shall not be issued payable as
17 provided in this section unless the issuance of the bonds has
18 been authorized by an election, or the bonds are issued prior
19 to November 1, 1982 payable from a hotel and motel tax which
20 was authorized at an election held prior to July 1, 1979.

21 EXPLANATION

22 This bill clarifies the provisions under which bonds,
23 which are to be paid from the revenues of a hotel and motel
24 tax, are to be issued. The bill also provides that a property
25 tax may be levied in order to aid in the payment of the
26 principal and interest of these bonds. The bill further
27 provides that any property tax levied must be repaid when
28 the receipts received from the hotel and motel tax are in
29 excess of those required for debt service and the amount
30 repaid would go to the reduction of property taxes. The bill
31 is effective July first following enactment.

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HOUSE FILE 632

AN ACT

RELATING TO THE ISSUANCE OF BONDS TO BE PAID FROM THE REVENUES RECEIVED FROM A LOCAL HOTEL AND MOTEL TAX, THE PAYMENT OF THE PRINCIPAL AND INTEREST OF THE BONDS AND THE LIMITATION ON THE LEVYING OF A TAX TO AID IN THE PAYMENT OF THE BONDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section four hundred twenty-two A point one (422A.1), unnumbered paragraphs two (2) and three (3), Code 1979, are amended to read as follows:

A local hotel and motel tax shall be imposed on January ~~1~~ first, April ~~1~~ first, July ~~1~~ first, or ~~September 1~~ October first, 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 March ~~31~~ thirty-first, June ~~30~~ thirtieth, September ~~30~~ thirtieth, or December ~~31~~ thirty-first. At least sixty 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 or county shall provide notice by certified mail of such action to the director of revenue.

A city or county shall impose a hotel and motel tax or increase the tax rate, only after an election at which a majority of those voting on the question favors imposition of increase. However, a hotel and motel tax shall not be

repealed or reduced in rate if obligations are outstanding which are payable as provided in section four hundred twenty-two A point two (422A.2) of the Code, 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 such purpose. The election shall be held at the time of that city's or county's general election.

Sec. 2. Section four hundred twenty-two A point two (422A.2), subsection four (4), paragraph c, Code 1979, is amended to read as follows:

c. Any city or county which levies and collects the hotel and motel tax authorized by this chapter may pledge irrevocably an amount ~~not to exceed thirty percent~~ of the revenues derived therefrom for each of the years the bonds remain outstanding to the payment of bonds which the city or county may issue for one or more of the purposes set forth in paragraph "a" of this subsection. Any revenue pledged to the payment of such bonds may be credited to the spending requirement of paragraph "a" of this subsection.

Sec. 3. Section four hundred twenty-two A point two (422A.2), subsection four (4), Code 1979, is amended by adding the following new paragraphs:

NEW PARAGRAPH. The provisions of division three (III) of chapter three hundred eighty-four (384) of the Code relating to the issuance of essential corporate purpose bonds apply to the issuance by a city of bonds payable as provided in this section and the provisions of chapter twenty-three (23) of the Code relating to the issuance of county bonds apply to the issuance by a county of bonds payable as provided in this section. The provisions of chapter seventy-six (76) of the Code apply to the bonds payable as provided in this section except that the mandatory levy to be assessed pursuant to section seventy-six point two (76.2) of the Code shall be at a rate to generate an amount which together with

the receipts from the pledged portion of the hotel and motel tax is sufficient to pay the interest and principal on the bonds. All amounts collected as a result of the levy assessed pursuant to section seventy-six point two (76.2) of the Code and paid out in the first instance for bond principal and interest shall be repaid to the city or county which levied the tax from the first available hotel and motel tax collections received in excess of the requirement for the payment of the principal and interest of the bonds and when repaid shall be applied in reduction of property taxes.

The amount of bonds which may be issued under section seventy-six point three (76.3) of the Code shall be the amount which could be retired from the actual collections of the hotel and motel tax for the last four calendar quarters, as certified by the director of revenue. The amount of tax revenues pledged jointly by other cities or counties may be considered for the purpose of determining the amount of bonds which may be issued. If the hotel and motel tax has been in effect for less than four calendar quarters, the tax collected within the shorter period may be adjusted to project the collections for the full year for the purpose of determining the amount of the bonds which may be issued.

NEW PARAGRAPH. A city or county, jointly with one or more other cities or counties as provided in chapter twenty-eight E (28E) of the Code, may pledge irrevocably any amount derived from the revenues of the hotel and motel tax to the support or payment of bonds issued for a project within the purposes set forth in paragraph a of this subsection and located within one or more of the participatory cities or counties or may apply the proceeds of its bonds to the support of any such project. Revenue so pledged or applied shall be credited to the spending requirement of paragraph a of this subsection.

NEW PARAGRAPH. Bonds shall not be issued payable as provided in this section unless the issuance of the bonds has been authorized by an election, or the bonds are issued

prior to November 1, 1982 payable from a hotel and motel tax which was authorized at an election held prior to July 1, 1979.

FLOYD B. MILLEN
Speaker of the House

TERRY E. BRANSTAD
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 632, Sixty-eighth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved June 7, 1979

ROBERT D. RAY
Governor