HOUSE FILE 440

BY JONES

(COMPANION TO LSB 2692SS
 BY HOUSER)

Passed House, Date _____   Passed Senate, Date _____

Vote: Ayes _____ Nays _____   Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the imposition of a countywide hotel and motel
2   tax.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1   Section 1. Section 422A.1, unnumbered paragraphs 1 and 4,
2 Code 2003, are amended to read as follows:
3   A city or a county acting on behalf of the unincorporated
4 areas may impose by ordinance of the city council or by
5 resolution of the board of supervisors, if approved by the
6 voters as provided in this section, a hotel and motel tax, at
7 a rate not to exceed seven percent, which shall be imposed in
8 increments of one or more full percentage points upon the
9 gross receipts from the renting of sleeping rooms, apartments,
10 or sleeping quarters in a hotel, motel, inn, public lodging
11 house, rooming house, manufactured or mobile home which is
12 tangible personal property, or tourist court, or in any place
13 where sleeping accommodations are furnished to transient
14 guests for rent, whether with or without meals; except the
15 gross receipts from the renting of sleeping rooms in
16 dormitories and in memorial unions at all universities and
17 colleges located in the state of Iowa and the guests of a
18 religious institution if the property is exempt under section
19 427.1, subsection 8, and the purpose of renting is to provide
20 a place for a religious retreat or function and not a place
21 for transient guests generally. The tax when imposed by a
22 city shall apply only within the corporate boundaries of that
23 city and when imposed by a county shall apply only outside
24 incorporated areas within that county. However, a county may
25 impose a countywide hotel and motel tax at a rate of one or
26 two percent by resolution of the board of supervisors, if a
27 countywide vote is held and a majority of those voting on the
28 question of imposition vote in favor of the imposition. This
29 countywide tax would be in addition to any tax imposed by the
30 city or by the county outside of incorporated areas.
31 "Renting" and "rent" include any kind of direct or indirect
32 charge for such sleeping rooms, apartments, or sleeping
33 quarters, or their use. However, the tax does not apply to
34 the gross receipts from the renting of a sleeping room,
35 apartment, or sleeping quarters while rented by the same

1 person for a period of more than thirty-one consecutive days.

2   A city or county shall impose a hotel and motel tax or

3 increase the tax rate only after an election at which a

4 majority of those voting on the question favors imposition or

5 increase. However, a hotel and motel tax shall not be

6 repealed or reduced in rate if obligations are outstanding

7 which are payable as provided in section 422A.2, unless funds

8 sufficient to pay the principal, interest, and premium, if

9 any, on the outstanding obligations at and prior to maturity

10 have been properly set aside and pledged for that purpose.

11 The election held by a city shall be held at the time of the

12 regular city election or at the time of a special election.

13 The election held by a county shall be held at the time of the

14 county's general election or at the time of a special

15 election.

16   Sec. 2. Section 422A.2, subsection 2, Code 2003, is

17 amended to read as follows:

18   2. All moneys in the local transient guest tax fund shall

19 be remitted at least quarterly by the department of revenue

20 and finance, pursuant to rules of the director of revenue and

21 finance, to each city in the amount collected from businesses

22 in the tax imposed by that city and to each county in the

23 amount collected from businesses-in-the-unincorporated-areas

24 of the tax imposed by the county.

25   Sec. 3. Section 422A.2, subsection 4, paragraph f, Code

26 2003, is amended to read as follows:

27   f. A city, or a county acting on behalf of an

28 unincorporated area, or a county acting on behalf of the

29 entire county may, in lieu of calling an election, institute

30 proceedings for the issuance of bonds under this section by

31 causing a notice of the proposal to issue the bonds, including

32 a statement of the amount and purpose of the bonds, together

33 with the maximum rate of interest which the bonds are to bear,

34 and the right to petition for an election, to be published at

35 least once in a newspaper of general circulation within the

1 city, or unincorporated area, or entire county, as applicable,
2 at least ten days prior to the meeting at which it is proposed
3 to take action for the issuance of the bonds.
4   If at any time before the date fixed for taking action for
5 the issuance of the bonds, a petition signed by eligible
6 electors residing in the city or the unincorporated area of
7 the county where the tax is imposed equal in number to at
8 least three percent of the registered voters of the city or
9 unincorporated area of the county where the tax is imposed is
10 filed, asking that the question of issuing the bonds be
11 submitted to the registered voters of the city or
12 unincorporated area of the county where the tax is imposed,
13 the council or board of supervisors acting-on-behalf-of-an
14 unincorporated-area shall either by resolution declare the
15 proposal to issue the bonds to have been abandoned or shall
16 direct the county commissioner of elections to call a special
17 election upon the question of issuing the bonds.
18   The proposition of issuing bonds under this section is not
19 approved unless the vote in favor of the proposition is equal
20 to a majority of the vote cast.
21   If no petition is filed, or if a petition is filed and the
22 proposition of issuing the bonds is approved at an election,
23 the council or board of supervisors acting-on-behalf-of-an
24 unincorporated-area may proceed with the authorization and
25 issuance of the bonds.
26   Bonds may be issued for the purpose of refunding
27 outstanding and previously issued bonds under this subsection
28 without otherwise complying with this paragraph.
29   EXPLANATION
30   This bill authorizes the county to impose a countywide
31 hotel and motel tax at a rate of 1 or 2 percent. Present law
32 allows a local hotel and motel tax to be imposed up to 7
33 percent by a city in that city or by a county in the areas
34 outside of any city.
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