

**Senate File 404 - Introduced**

SENATE FILE 404  
BY SIRES

**A BILL FOR**

- 1 An Act creating the Iowa tourism advertising fund, and making
- 2 appropriations.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **15.510 Iowa tourism advertising**  
2 **fund.**

3 1. For purposes of this section, "*eligible applicant*" means a  
4 city, county, nonprofit organization, or business entity.

5 2. An Iowa tourism advertising fund is created in the state  
6 treasury under the control of the authority. The fund shall  
7 consist of all moneys deposited into the fund pursuant to section  
8 423A.6, subsection 1, or appropriated to the fund. The board  
9 will oversee and administer the Iowa tourism advertising fund.

10 3. Moneys in the fund are appropriated to the authority for  
11 purposes of promoting tourism in Iowa through advertisements in  
12 this state, other states, and internationally, or to partner  
13 with or to provide grants to eligible applicants to promote Iowa  
14 tourism through advertising.

15 4. Applications for grants from the fund shall be submitted  
16 to the authority. For those applications that meet the  
17 eligibility criteria set by rule, the authority shall forward the  
18 applications and provide a staff evaluation to the board.

19 5. The board shall make final funding decisions on each  
20 application and may approve, deny, defer, or modify applications  
21 for grants, including partnering with the eligible applicant.  
22 The board and the authority may negotiate with applicants  
23 regarding the details of the advertising campaign and the amount  
24 and terms of any grants. In making final funding decisions  
25 pursuant to this subsection, the board and the authority are  
26 exempt from chapter 17A.

27 6. If an application is approved, the authority shall enter  
28 into an agreement with the applicant to provide a grant awarded  
29 from the fund.

30 7. Notwithstanding section 12C.7, subsection 2, interest or  
31 earnings on moneys deposited in the Iowa tourism advertising  
32 fund shall be credited to the Iowa tourism advertising fund.  
33 Notwithstanding section 8.33, moneys credited to the Iowa tourism  
34 advertising fund shall not revert at the close of a fiscal year.  
35 The authority shall not use more than five percent of the moneys

1 in the fund at the beginning of each fiscal year for purposes of  
2 administrative costs and program support.

3 Sec. 2. Section 423A.6, subsection 1, Code 2025, is amended  
4 to read as follows:

5 1. The director of revenue shall administer the state and  
6 local hotel and motel tax as nearly as possible in conjunction  
7 with the administration of the state sales tax law, except that  
8 portion of the law which implements the streamlined sales and  
9 use tax agreement. The director shall provide appropriate forms,  
10 or provide on the regular state tax forms, for reporting state  
11 and local hotel and motel tax liability. All moneys received or  
12 refunded one hundred eighty days after the date on which a city,  
13 county, or land use district terminates its local hotel and motel  
14 tax and all moneys received from the state hotel and motel tax  
15 shall be deposited in or withdrawn from the general fund of the  
16 state, except twenty-five hundredths of one percent of the tax  
17 imposed pursuant to section 423A.3 shall be deposited into the  
18 Iowa tourism advertising fund created in section 15.510.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill creates the Iowa tourism advertising fund (fund), in  
23 the state treasury under the control of the economic development  
24 authority (authority). The authority's board members (board)  
25 will oversee and administer the fund.

26 Moneys in the fund are appropriated to the authority for  
27 purposes of promoting tourism in Iowa through advertising in this  
28 state, other states, and internationally, or to partner with or  
29 to provide grants to eligible applicants to promote Iowa tourism  
30 through advertising.

31 The bill specifies applications for grants from the fund  
32 are to be submitted to the authority. The bill specifies the  
33 board makes the final funding decisions on each application and  
34 may approve, deny, defer, or modify applications for grants,  
35 including partnering with applicants.

1 Under Code section 423A.3, a tax of 5 percent is imposed upon  
2 the sales price for the renting of lodging located in this state.  
3 The bill allocates 0.25 percent of this state-imposed hotel and  
4 motel tax to the fund created in the bill.

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