

Senate Study Bill 3114 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WEBSTER)

A BILL FOR

1 An Act concerning locally imposed hotel and motel taxes for
2 tourism development and tourism promotion.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 423A.2, subsection 1, Code 2026, is
2 amended by adding the following new paragraphs:

3 NEW PARAGRAPH. 0l. "Tourism development" means the creation
4 or expansion of physical attractions, facilities, or events that
5 are available and open to the public, improving the appeal of
6 destinations to tourists, and enhancing tourist experiences that
7 are primarily promoted to or used by tourists.

8 NEW PARAGRAPH. 00l. "Tourism promotion" means planning,
9 conducting, or participating in programs of information,
10 publicity, and advertising that are designed to attract tourists
11 and foster economic activity through tourism.

12 NEW PARAGRAPH. 000l. "Tourist" means a person who travels
13 more than fifty miles to a destination for business or leisure.

14 Sec. 2. Section 423A.7, subsection 3, Code 2026, is amended
15 to read as follows:

16 3. Moneys received by the city or county from this fund shall
17 be credited to the general fund of the city or county, subject to
18 the provisions of subsection 4.

19 Sec. 3. Section 423A.7, subsection 4, paragraph a, Code 2026,
20 is amended by striking the paragraph and inserting in lieu
21 thereof the following:

22 a. (1) The governing authority of each city or county that
23 levies the tax shall spend at least fifty percent of the revenues
24 on tourism development and tourism promotion in the city, county,
25 or surrounding areas, as applicable.

26 (2) Beginning with the annual report required to be filed by
27 December 1, 2027, under section 331.403 or 384.22, as applicable,
28 and for each annual report thereafter, the annual report shall
29 contain a detailed accounting and explanation of the use of
30 moneys for tourism development and tourism promotion pursuant to
31 this paragraph.

32 EXPLANATION

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

35 This bill concerns locally imposed hotel and motel taxes by

1 creating a local hotel and motel tax account for the development
2 and promotion of tourism, and includes applicability provisions.

3 The bill strikes the detailed list of permissible expenditures
4 for at least 50 percent of the locally imposed hotel and motel
5 taxes in Code section 423A.7(4)(a), and specifies the governing
6 authority of each city or county which levies the hotel and
7 motel tax shall spend at least 50 percent of the revenues on
8 tourism development and tourism promotion in the city, county,
9 or surrounding areas. The bill requires the city or county to
10 include a detailed accounting and explanation of the use of the
11 moneys for tourism development and tourism promotion beginning
12 with the annual report required on or after December 1, 2027,
13 under Code section 331.403 or 384.22, as applicable.

14 The bill defines "tourism development" to mean the creation
15 or expansion of physical attractions, facilities, or events that
16 are available and open to the public, improving the appeal
17 of destinations to tourists, and enhancing tourist experiences
18 that are primarily promoted to or used by tourists. The
19 bill defines "tourism promotion" to mean planning, conducting,
20 or participating in programs of information, publicity, and
21 advertising that are designed to attract tourists and foster
22 economic activity through tourism. The bill defines "tourist" to
23 mean a person who travels more than 50 miles to a destination for
24 business or leisure.

25 The remaining revenues not subject to expenditure by the hotel
26 and motel tax board created in the bill shall be spent, as
27 required by current law, by the city or county on any city
28 or county operations authorized by law as a proper purpose for
29 the expenditure within statutory limitations of city or county
30 revenues derived from ad valorem taxes.