

Senate File 2441 - Introduced

SENATE FILE 2441
BY COMMITTEE ON LOCAL
GOVERNMENT

(SUCCESSOR TO SSB 3114)

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:

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

3 NEW PARAGRAPH. 01. *"Tourism development"* means the creation
4 or expansion of physical attractions, facilities, or events
5 that are available and open to the public, improving the appeal
6 of destinations to tourists, and enhancing tourist experiences
7 that are primarily promoted to or used by tourists.

8 NEW PARAGRAPH. 001. *"Tourism promotion"* means planning,
9 conducting, or participating in programs of information,
10 publicity, and advertising that are designed to attract
11 tourists and foster economic activity through tourism.

12 NEW PARAGRAPH. 0001. *"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
17 shall be credited to the general fund of the city or county,
18 subject to the provisions of [subsection 4](#).

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

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

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

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

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

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

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