

January 22, 1963.  
Passed on File.

Senate File 31  
By FLATT.

Passed Senate, Date..... Passed House, Date.....  
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....  
Approved.....

## A BILL FOR

An Act creating a capital improvements fund to be used for capital improvements needed by state institutions, providing that such fund shall be administered by a board and providing for a service tax upon hotels and motels to provide funds for capital improvements.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. When used in this Act:

2 1. The words "hotel or motel" means any building or struc-  
3 ture an appreciable part of which is equipped, used, or held  
4 out to the public to be an inn, motel, or place where  
5 sleeping accommodations are furnished transient guests for hire,  
6 with or without meals.

7 2. The words "capital improvements" means buildings,  
8 structures, or equipment of a durable nature used by state  
9 functionaries under the jurisdiction of the board of control  
10 or the state board of regents.

1 Sec. 2. There is hereby imposed a tax of three (3) percent  
2 upon the gross receipts from all services performed in con-  
3 nection with the operation of a hotel or motel if such services  
4 are not presently subject to the Iowa retail sales tax.

1 Sec. 3. The provisions of chapter four hundred twenty-two  
2 (422) of the Code relating to the administration of the retail  
3 sales tax shall apply to the collection of the tax created by  
4 this Act insofar as they are applicable.

1 Sec. 4. There is hereby created a fund to be known as the

2 "Capital Improvements Fund" and all money collected under this  
3 Act shall be paid into this fund. The fund shall accumulate  
4 during each biennium and shall be available for expenditures at  
5 the end of each biennium as provided by this Act.

1 Sec. 5. The capital improvement fund shall be administered  
2 by a board of seven (7) members. Two (2) members of the board  
3 shall be members of the senate appointed by the president of  
4 the senate; two (2) members shall be members of the house ap-  
5 pointed by the speaker of the house; and three (3) members shall  
6 be electors of the state appointed by the governor. Members of  
7 the board shall serve for terms of two years which shall expire  
8 on July 1 in odd numbered years and the members of the board  
9 shall be uncompensated for their services, but shall be reim-  
10 bursed for actual expenses incurred in carrying out their duties.

1 Sec. 6. The board shall have the responsibility of deter-  
2 mining the capital improvement needs of the state. On or before  
3 July 1 in years in which the board members terms expire, the  
4 board shall authorize those capital improvements it deems most  
5 needed and shall authorize expenditures of accumulated capital  
6 improvement funds for the improvements authorized. Only those  
7 funds accumulated during the two (2) preceding calendar years  
8 shall be available for expenditure by the board.