

MAR 8 2005  
WAYS AND MEANS

HOUSE FILE 615  
BY ELGIN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for the imposition of a regional lodging tax for  
2 regional promotion and projects.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 615

1 Section 1. Section 423A.1, unnumbered paragraph 8, Code  
2 2005, is amended to read as follows:

3 The tax levied shall be in addition to any state sales tax  
4 imposed under section 423.2 or regional lodging tax imposed  
5 under section 423F.1. Section 422.25, subsection 4, sections  
6 422.30, 422.67, and 422.68, section 422.69, subsection 1,  
7 sections 422.70 to 422.75, section 423.14, subsection 1, and  
8 sections 423.23, 423.24, 423.25, 423.31, 423.33, 423.35,  
9 423.37 to 423.42, and 423.47, consistent with the provisions  
10 of this chapter, apply with respect to the taxes authorized  
11 under this chapter, in the same manner and with the same  
12 effect as if the hotel and motel taxes were retail sales taxes  
13 within the meaning of those statutes. Notwithstanding this  
14 paragraph, the director shall provide for quarterly filing of  
15 returns and for other than quarterly filing of returns both as  
16 prescribed in section 423.31. The director may require all  
17 persons, as defined in section 423.1, who are engaged in the  
18 business of deriving any sales price subject to tax under this  
19 chapter, to register with the department. All taxes collected  
20 under this chapter by a retailer or any individual are deemed  
21 to be held in trust for the state of Iowa and the local  
22 jurisdictions imposing the taxes.

23 Sec. 2. NEW SECTION. 423F.1 REGIONAL LODGING TAX.

24 1. For purposes of this chapter, "region" means an area  
25 containing at least two cities, a city and the unincorporated  
26 area of a county, or the unincorporated areas of two counties  
27 where each city and unincorporated area of each county in the  
28 area has imposed the hotel and motel tax pursuant to chapter  
29 423A.

30 2. Cities and counties that have imposed hotel and motel  
31 taxes pursuant to chapter 423A may establish a region for the  
32 purpose of the imposition of a regional lodging tax. To  
33 establish the region the cities and counties that have imposed  
34 the hotel and motel tax pursuant to chapter 423A and are  
35 located in the area that will make up the region shall enter

1 into chapter 28 agreements with each of the other  
2 jurisdictions. As part of the agreement, a regional  
3 administrative board shall be established to administer funds  
4 generated by the regional lodging tax. Each city and county  
5 which is part of the agreement is entitled to one member on  
6 the regional administrative board who shall be appointed by  
7 the governing body of that city or county. Each member shall  
8 serve at the pleasure of the governing body that appointed  
9 that member.

10 3. A city or county located in the region may impose by  
11 ordinance of the city council or by resolution of the board of  
12 supervisors a regional lodging tax at a rate of one or two  
13 percent as specified in the chapter 28 agreement. The tax  
14 shall be imposed upon the sales price from the renting of  
15 sleeping rooms, apartments, or sleeping quarters in a hotel,  
16 motel, inn, public lodging house, rooming house, manufactured  
17 or mobile home which is tangible personal property, or tourist  
18 court, or in any place where sleeping accommodations are  
19 furnished to transient guests for rent, whether with or  
20 without meals; except the sales price from the renting of  
21 sleeping rooms in dormitories and in memorial unions at all  
22 universities and colleges located in the state of Iowa and the  
23 guests of a religious institution if the property is exempt  
24 under section 427.1, subsection 8, and the purpose of renting  
25 is to provide a place for a religious retreat or function and  
26 not a place for transient guests generally. The tax when  
27 imposed by a city shall apply only within the corporate  
28 boundaries of that city and when imposed by a county shall  
29 apply only outside incorporated areas within that county.  
30 "Renting" and "rent" include any kind of direct or indirect  
31 charge for such sleeping rooms, apartments, or sleeping  
32 quarters, or their use. However, the tax does not apply to  
33 the sales price from the renting of a sleeping room,  
34 apartment, or sleeping quarters while rented by the same  
35 person for a period of more than thirty-one consecutive days.

1 4. A regional lodging tax shall be imposed on January 1,  
2 April 1, July 1, or October 1, following the notification of  
3 the director of revenue. Once imposed, the tax shall remain  
4 in effect at the rate imposed for a minimum of one year. A  
5 regional lodging tax shall terminate only on March 31, June  
6 30, September 30, or December 31. At least sixty days prior  
7 to the tax being effective or prior to the repeal of the tax,  
8 the regional administrative board shall provide notice by mail  
9 of such action to the director of revenue.

10 5. The director of revenue shall administer a regional  
11 lodging tax as nearly as possible in conjunction with the  
12 administration of the state sales tax law. The director shall  
13 provide appropriate forms, or provide on the regular state tax  
14 forms, for reporting regional lodging tax liability. All  
15 moneys received or refunded one hundred eighty days after the  
16 date on which a regional lodging tax is repealed shall be  
17 deposited in or withdrawn from the general fund of the state.

18 The director, in consultation with the regional  
19 administrative board, shall collect and account for a regional  
20 lodging tax and shall credit all revenues to the regional  
21 lodging tax fund created in section 423F.2.

22 No tax permit other than the state sales tax permit  
23 required under section 423.36 may be required by local  
24 authorities.

25 6. The tax levied shall be in addition to any state sales  
26 tax imposed under section 423.2 and the local hotel and motel  
27 tax imposed under section 423A.1. Section 422.25, subsection  
28 4, sections 422.30, 422.67, and 422.68, section 422.69,  
29 subsection 1, sections 422.70 to 422.75, section 423.14,  
30 subsection 1, and sections 423.23, 423.24, 423.25, 423.31,  
31 423.33, 423.35, 423.37 to 423.42, and 423.47, consistent with  
32 the provisions of this chapter, apply with respect to the  
33 taxes authorized under this chapter, in the same manner and  
34 with the same effect as if the regional lodging taxes were  
35 retail sales taxes within the meaning of those statutes.

1 Notwithstanding this subsection, the director shall provide  
2 for quarterly filing of returns and for other than quarterly  
3 filing of returns both as prescribed in section 423.31. The  
4 director may require all persons, as defined in section 423.1,  
5 who are engaged in the business of deriving any sales price  
6 subject to tax under this chapter, to register with the  
7 department. All taxes collected under this chapter by a  
8 retailer or any individual are deemed to be held in trust for  
9 the state of Iowa and the regional administrative boards of  
10 the areas in which the taxes are imposed.

11 Sec. 3. NEW SECTION. 423F.2 REGIONAL LODGING TAX FUND --  
12 USE OF REVENUES.

13 1. A regional lodging tax fund is created in the state  
14 treasury under the control of the department of revenue which  
15 shall consist of all moneys credited to this fund under  
16 section 423F.1.

17 2. a. All moneys in the regional lodging tax fund shall  
18 be remitted at least quarterly by the department of revenue,  
19 pursuant to rules of the director of revenue, to each regional  
20 administrative board in the amount collected from businesses  
21 in its region.

22 b. Moneys received by the board from this fund shall be  
23 credited to a special tourism fund of the region.

24 3. The special tourism fund shall be administered by the  
25 regional administrative board.

26 4. Moneys in the special tourism fund shall only be used  
27 to do any of the following:

28 a. Assist the region or a city or unincorporated area  
29 within the region in the development and creation of  
30 attractions and tourism facilities.

31 b. Promote and advertise tourist attractions located in  
32 the region.

33 c. Provide grants or loans to nonprofit organizations that  
34 promote, advertise, or maintain tourist attractions or  
35 facilities within the region.

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EXPLANATION

Present law allows a city or county by resolution or ordinance to impose a local hotel and motel tax of up to 7 percent on the renting of lodging rooms. The city tax applies to rooms located in the city and the county tax applies only to those rooms located in areas outside the cities. This bill allows a region to impose a 1 or 2 percent tax regionwide. To do this, each city and county of the region must already impose the local hotel and motel tax and enter into Code chapter 28 agreements to impose the regionwide tax. The moneys from the tax would be administered by a board that may only spend the moneys for development and creation of attractions and tourism facilities; for promoting and advertising tourist attractions; or for providing grants or loans to nonprofit organizations that promote, advertise, or maintain tourist attractions or facilities.