

FILED MAR 7 2005

SENATE FILE 285 LOCAL GOVERNMENT  
BY HOUSER

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

**A BILL FOR**

1 An Act relating to the imposition of a countywide hotel and motel  
2 tax.

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

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SF 285 LOCAL GOVERNMENT

1 Section 1. Section 423A.1, unnumbered paragraphs 1 and 4,  
2 Code 2005, are amended to read as follows:

3 A city or a county acting on behalf of the unincorporated  
4 areas may impose by ordinance of the city council or by  
5 resolution of the board of supervisors, if approved by the  
6 voters as provided in this section, a hotel and motel tax, at  
7 a rate not to exceed seven percent, which shall be imposed in  
8 increments of one or more full percentage points upon the  
9 sales price from the renting of sleeping rooms, apartments, or  
10 sleeping quarters in a hotel, motel, inn, public lodging  
11 house, rooming house, manufactured or mobile home which is  
12 tangible personal property, or tourist court, or in any place  
13 where sleeping accommodations are furnished to transient  
14 guests for rent, whether with or without meals; except the  
15 sales price from the renting of sleeping rooms in dormitories  
16 and in memorial unions at all universities and colleges  
17 located in the state of Iowa and the guests of a religious  
18 institution if the property is exempt under section 427.1,  
19 subsection 8, and the purpose of renting is to provide a place  
20 for a religious retreat or function and not a place for  
21 transient guests generally. The tax when imposed by a city  
22 shall apply only within the corporate boundaries of that city  
23 and when imposed by a county shall apply only outside  
24 incorporated areas within that county. However, a county may  
25 impose a countywide hotel and motel tax at a rate of one or  
26 two percent by resolution of the board of supervisors, if a  
27 countywide vote is held and a majority of those voting on the  
28 question of imposition vote in favor of the imposition. This  
29 countywide tax is in addition to any tax imposed by the city  
30 or by the county outside of incorporated areas. "Renting" and  
31 "rent" include any kind of direct or indirect charge for such  
32 sleeping rooms, apartments, or sleeping quarters, or their  
33 use. However, the tax does not apply to the sales price from  
34 the renting of a sleeping room, apartment, or sleeping  
35 quarters while rented by the same person for a period of more

1 than thirty-one consecutive days.

2 A city or county shall impose a hotel and motel tax or  
3 increase the tax rate only after an election at which a  
4 majority of those voting on the question favors imposition or  
5 increase. However, a hotel and motel tax shall not be  
6 repealed or reduced in rate if obligations are outstanding  
7 which are payable as provided in section 423A.2, unless funds  
8 sufficient to pay the principal, interest, and premium, if  
9 any, on the outstanding obligations at and prior to maturity  
10 have been properly set aside and pledged for that purpose.  
11 The election held by a city shall be held at the time of the  
12 regular city election or at the time of a special election.  
13 The election held by a county shall be held at the time of the  
14 county's general election or at the time of a special  
15 election.

16 Sec. 2. Section 423A.2, subsection 2, Code 2005, is  
17 amended to read as follows:

18 2. All moneys in the local transient guest tax fund shall  
19 be remitted at least quarterly by the department of revenue,  
20 pursuant to rules of the director of revenue, to each city in  
21 the amount collected from ~~businesses-in~~ the tax imposed by  
22 that city and to each county in the amount collected from  
23 ~~businesses-in-the-unincorporated-areas-of~~ the tax imposed by  
24 the county.

25 Sec. 3. Section 423A.2, subsection 4, paragraph f, Code  
26 2005, is amended to read as follows:

27 f. A city ~~or,~~ a county acting on behalf of an  
28 unincorporated area, or a county acting on behalf of the  
29 entire county may, in lieu of calling an election, institute  
30 proceedings for the issuance of bonds under this section by  
31 causing a notice of the proposal to issue the bonds, including  
32 a statement of the amount and purpose of the bonds, together  
33 with the maximum rate of interest which the bonds are to bear,  
34 and the right to petition for an election, to be published at  
35 least once in a newspaper of general circulation within the

1 city, or unincorporated area, or entire county, as applicable,  
2 at least ten days prior to the meeting at which it is proposed  
3 to take action for the issuance of the bonds.

4 If at any time before the date fixed for taking action for  
5 the issuance of the bonds, a petition signed by eligible  
6 electors residing in the city or the unincorporated area of  
7 the county where the tax is imposed equal in number to at  
8 least three percent of the registered voters of the city or  
9 unincorporated area of the county where the tax is imposed is  
10 filed, asking that the question of issuing the bonds be  
11 submitted to the registered voters of the city or  
12 unincorporated area of the county where the tax is imposed,  
13 the council or board of supervisors ~~acting-on-behalf-of-an~~  
14 ~~unincorporated-area~~ shall either by resolution declare the  
15 proposal to issue the bonds to have been abandoned or shall  
16 direct the county commissioner of elections to call a special  
17 election upon the question of issuing the bonds.

18 The proposition of issuing bonds under this section is not  
19 approved unless the vote in favor of the proposition is equal  
20 to a majority of the vote cast.

21 If no petition is filed, or if a petition is filed and the  
22 proposition of issuing the bonds is approved at an election,  
23 the council or board of supervisors ~~acting-on-behalf-of-an~~  
24 ~~unincorporated-area~~ may proceed with the authorization and  
25 issuance of the bonds.

26 Bonds may be issued for the purpose of refunding  
27 outstanding and previously issued bonds under this subsection  
28 without otherwise complying with this paragraph.

29

EXPLANATION

30 This bill authorizes the county to impose a countywide  
31 hotel and motel tax at a rate of 1 or 2 percent. Present law  
32 allows a local hotel and motel tax to be imposed up to 7  
33 percent by a city in that city or by a county in the areas  
34 outside of any city.

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