

CHAPTER 8

TRANSIENT GUEST TAX

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8.01 PURPOSE. The purpose of this chapter is to impose a guest tax (hotel/motel) on all overnight sleeping facilities rented for profit for a tenure of less than thirty-one (31) consecutive days. At least fifty percent (50%) of the funds derived from the guest tax are to be used for the promotion and encouragement of tourist and convention business in the City or County and surrounding areas. The remaining revenues may be spent by the City for any operations authorized by law as a proper purpose for the City's infrastructure, policing, garbage and refuse collection or any other municipal service.

8.02 SCOPE. Commencing January 1, 1995, a tax at the rate of five percent (5%) shall be imposed upon the sales price from the renting of any and all sleeping rooms, apartments or sleeping quarters in a hotel, motel, inn, public lodging house, rooming house, manufactured or mobile home which is personal tangible property, or tourist court, or in any place where sleeping accommodations are furnished to transient guests for rent, whether with or without meals; except the sales price from the renting of sleeping rooms in dormitories and in memorial unions at all universities and colleges located in the State and the guests of a religious institution if the property is exempt under Section 427.1, subsection 8, of the *Code of Iowa*, and the purpose of renting is to provide for a religious retreat or function and not a place for transient guests generally.

8.03 COLLECTION AND ENFORCEMENT. The Director of Revenue of the State is responsible for the collection and enforcement of all taxes, penalties, and interest imposed by this chapter pursuant to the authority vested in said person by the Code of Iowa.

8.04 DISPOSITION OF PROCEEDS. All revenue received by the City pursuant to the tax imposed shall be credited to the General Fund of the City. This revenue shall be allocated, and accounted for as follows:

1. Fifty percent (50%) of the revenue shall be distributed to a Tourism Committee which consists of persons who are residents of the community and/or have a vested interest in the community as business persons and who are members in good standing of the Iowa Great Lakes Chamber of Commerce.
2. The Committee shall consist of three (3) members and shall be selected as follows: one member appointed by the Iowa Great Lakes Chamber of Commerce, one member appointed by the Okoboji Tourism Association, and one member appointed by the Council. Terms of office of Committee members shall be at the discretion of the appointing agency.
3. Each Committee member shall have one vote on any issue and any issue involving the dispersing of funds. The Committee shall be responsible for maintaining accurate records of the Committee's deliberations and accounting of funds.
4. All revenues received by the Committee shall be used for the promotion and encouragement of tourist and convention business in the cities and unincorporated

areas of the County and shall be subject to annual audit and public report to the Council. The audit shall be prepared by an independent auditor (Certified Public Accountant), accounting for all tax revenues disbursed by the Committee the previous year. Reporting requirements shall be based on the City's fiscal year beginning July 1 and ending June 30.

5. Funds derived from the hotel/motel tax revenue distributed to the government entities by the Iowa Department of Revenue shall be appropriated annually to the Committee based on need but in no event shall the appropriation exceed fifty percent (50%) of the hotel/motel tax revenue collected unless otherwise authorized.
6. The remaining revenues may be spent by the City for any purpose authorized under Iowa law.