

CHAPTER 11

HOTEL AND MOTEL TAX

11.01 Imposition of Tax

11.02 Use of Funds

11.03 Effective Date of Ordinance and Tax Imposition

11.01 IMPOSITION OF TAX. A tax of 7% shall be and is hereby imposed upon the gross receipts from the renting of sleeping quarters in a hotel, motel, inn, public lodging house, rooming house, mobile home which is tangible personal property, or tourist court, or in any place where sleeping accommodations are furnished to transient guests for rent, with or without meals, except for sleeping rooms provided for guests of a religious institution if the property is exempt under Section 427.1(8) of the *Code of Iowa*, and the purpose of renting is to provide a place for a religious retreat or function and not a place for transient guests generally. This tax shall only apply within the corporate boundaries of the City of Riverside, Iowa. The expenditure of funds is appropriated in Section 11.02:

11.02 USE OF FUNDS. Revenues derived from this tax shall be used as follows:

1. At least 50% of the City's revenues derived from this tax must be used for the acquisition of sites for constructing, improving, enlarging, equipping, repairing, operating, or maintaining of the following:
 - A. Recreation facilities;
 - B. Convention facilities;
 - C. Cultural facilities;
 - D. Entertainment facilities.
2. Appropriate facilities and or purposes include (but are not limited to):
 - A. Memorial buildings;
 - B. Halls and monuments;
 - C. Civic center convention buildings;
 - D. Auditoriums;
 - E. Coliseums;
 - F. Parking areas or facilities located at such facilities;
 - G. Payment of principal and interest, when due, on bonds or other debt issued by the City for those facilities listed above;
 - H. Promotion and encouragement of tourist and convention business in the City.
3. The City is not obligated to allocate all of the hotel-motel tax as stated above. It may determine (by Resolution of the Council) that a portion remain in reserve or, due to urgency, to expend funds consistent with State guidelines for other projects or activities.

11.03 EFFECTIVE DATE OF ORDINANCE AND TAX IMPOSITION. This Ordinance shall be in full force and effect from and after its final passage, approval, and publication as provided by law and upon ratification by a majority of the eligible electors for the City of Riverside, Iowa, voting on the question of imposition as provided by Section 422A.1 of the *Code of Iowa*. The tax shall be imposed beginning on January 1, 2007, following the required notice of at least 45 days to the Director of Revenue as provided by Section 422A.1 of the *Code of Iowa*.

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