

## 2007 ASSEMBLY BILL 382

May 31, 2007 – Introduced by Representative VAN AKKEREN. Referred to Committee on Tourism, Recreation and State Properties.

1     **AN ACT** *to repeal* 66.0615 (1m) (d) 2.; and *to amend* 66.0615 (1m) (d) 1. of the  
2             statutes; **relating to:** the percentage of room tax revenue that must be spent  
3             on tourism promotion and development.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a city, village, or town (municipality) and a local exposition district may impose a room tax. The room tax is a tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators, and other persons who furnish accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations.

Generally, the maximum room tax that a municipality may impose is 8 percent. A single municipality that imposes a room tax may create a commission, which is defined as an entity to coordinate tourism promotion and development. If two or more municipalities in a zone impose a room tax, they must create a commission. Current law defines a zone as an area made up of two or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public. Current law requires a commission to contract with an organization to provide staff, development, or promotional services for the tourism industry in a municipality if a tourism entity does not exist in that municipality. A tourism entity is defined as a nonprofit organization that existed before January 1, 1992, and provides staff, development, or promotional services for the tourism industry in a municipality.

A municipality that first imposes a room tax after May 13, 1994, must spend at least 70 percent of the amount collected on tourism promotion and development;

