
ENGROSSED HOUSE BILL No. 1097

DIGEST OF HB 1097 (Updated February 23, 1998 7:51 pm - DI 44)

Citations Affected: IC 6-9; IC 36-1.

Synopsis: Innkeeper's, admissions and food and beverage taxes. Permits the Lake County convention and visitor bureau to enter into leases or lease-purchase agreements, or to issue bonds or other obligations, for the construction, acquisition, and equipping of a visitor center to promote and encourage visitors, conventions, and other events within the county. Grants the bureau eminent domain powers for the purpose of acquiring property to promote and encourage visitors, conventions, and other events within the county. Provides that the Marion County admissions tax applies only to tickets offered for sale to the public and does not apply to an event sponsored by a political
(Continued next page)

Effective: Upon passage.

Dobis, Fesko, Stevenson, Tabaczynski

(SENATE SPONSORS — LANDSKE, ROGERS, RANDOLPH)

January 6, 1998, read first time and referred to Committee on Local Government.
January 21, 1998, reported — Do Pass.
January 26, 1998, read second time, ordered engrossed. Engrossed.
January 27, 1998, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

January 30, 1998, read first time and referred to Committee on Finance.
February 19, 1998, amended, reported favorably — Do Pass.
February 23, 1998, read second time, amended, ordered engrossed.

HEA 1097—CC.No.01+



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organization. Provides that, if approved by an ordinance of the county council, revenues from the Allen County food and beverage tax may be used to finance projects related to an athletic and exhibition coliseum in existence before January 1, 1998. Provides that not more than 25% of innkeeper's tax revenues in Scott County and Jackson County may be used for economic development or industrial development. Permits Boone County to use innkeeper's tax revenues to promote and encourage conventions, visitors, tourism and industrial development.

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HEA 1097—CC.No.01+



Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

HOUSE ENROLLED ACT No. 1097

AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-9-2-4 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The bureau may:

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the bureau considers necessary and desirable;
- (2) sue and be sued;
- (3) enter into contracts and agreements;
- (4) make rules necessary for the conduct of its business and the accomplishment of its purposes;
- (5) receive and approve, alter, or reject requests and proposals for funding by corporations qualified under subdivision (6);
- (6) after its approval of a proposal, transfer money from the fund established under section 2 of this chapter to any Indiana not-for-profit corporation to promote and encourage conventions, trade shows, visitors, or special events in the county; ~~and~~
- (7) require financial or other reports from any corporation that receives funds under this chapter;
- (8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and**

HEA 1097—CC.No.01+



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(9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from the fund established under section 2 of this chapter. The bureau shall annually prepare a budget, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6), and submit it to the county council for its review and approval. After its approval of the budget, the county council shall make an appropriation from the fund in accordance with that budget.

(c) All money coming into possession of the bureau shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money coming into possession of the bureau is subject to audit and supervision by the state board of accounts.

SECTION 2. IC 6-9-2-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. The bureau may enter into an agreement under which amounts deposited in, or to be deposited in, the convention, tourism, and visitor promotion fund under section 2 of this chapter are pledged to payment of obligations, including leases entered into under IC 36-1-10, issued to finance the construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county.**

SECTION 3. IC 6-9-2-4.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.7. (a) The bureau may issue bonds, enter into leases, or incur other obligations to:**

- (1) pay the costs incurred in the financing, construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county;**
 - (2) reimburse itself or any nonprofit corporation for any money advanced to pay those costs; or**
 - (3) refund bonds issued or other obligations incurred under this chapter.**
- (b) Bonds issued or obligations incurred under this section:**
- (1) are payable solely from the money provided in this chapter;**
 - (2) may, in the discretion of the bureau, be sold at a negotiated sale or under IC 5-1-11 and IC 5-3-1; and**



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(3) must be authorized by a resolution of the bureau.

(c) Leases entered into under this section:

(1) may be for a term not to exceed fifty (50) years;

(2) may provide for payments from revenues under this chapter, any other revenues available to the bureau, or any combination of these sources;

(3) may provide that payments by the bureau to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;

(4) must be based upon the value of the facilities leased; and

(5) may not create a debt of the county for purposes of the Constitution of the State of Indiana.

(d) A lease may be entered into by the bureau only after a public hearing:

(1) for which notice has been given in accordance with IC 5-3-1; and

(2) at which all interested parties are provided the opportunity to be heard.

(e) After the public hearing, the bureau may approve the execution of the lease only if the bureau finds that the services to be provided throughout the life of the lease will serve the public purposes for which the bureau was created and that the execution of the lease is in the best interests of the residents of the county.

(f) Upon execution of a lease under this section, the bureau shall publish notice of the execution of the lease in accordance with IC 5-3-1.

(g) An action to contest the validity of bonds issued or leases entered into under this section must be brought within thirty (30) days after the adoption of a bond resolution or notice of the execution and approval of the lease, as the case may be.

SECTION 4. IC 6-9-2-4.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.9. With respect to:

(1) bonds, leases, or other obligations to which the bureau has pledged revenues under this chapter; and

(2) bonds issued by a lessor that are payable from lease rentals;

the general assembly covenants with the bureau and the purchasers or owners of the bonds or other obligations described in this section that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax



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imposed under this chapter or the money deposited in the convention, tourism, and visitor promotion fund, as long as the principal of or interest on any bonds, or the lease rentals due under any lease, are unpaid.

SECTION 5. IC 6-9-2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. The financing of the construction, acquisition, and equipping of a visitor center to promote and encourage conventions, trade shows, special events, recreation, and visitors within the county serves a public purpose and is of benefit to the general welfare of the county by encouraging investment, job creation and retention, and economic growth and diversity.**

SECTION 6. IC 6-9-13-1, AS AMENDED BY P.L.256-1997(ss), SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b), the city-county council of a county that contains a consolidated first class city may adopt an ordinance to impose an excise tax, known as the county admissions tax, for the privilege of attending, before January 1, 2028, any event and, after December 31, 2027, any professional sporting event:

(1) held in a facility financed in whole or in part by bonds or notes issued under IC 18-4-17 (before its repeal on September 1, 1981), IC 36-10-9, or IC 36-10-9.1; **and**

(2) to which tickets are offered for sale to the public by:

(A) the box office of the facility; or

(B) an authorized agent of the facility.

(b) The excise tax imposed under subsection (a) does not apply to the following:

(1) An event sponsored by an educational institution or an association representing an educational institution.

(2) An event sponsored by a religious organization.

(3) An event sponsored by an organization that is considered a charitable organization by the Internal Revenue Service for federal tax purposes.

(4) An event sponsored by a political organization.

(c) If a city-county council adopts an ordinance under subsection (a), it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(d) If a city-county council adopts an ordinance under subsection (a) prior to June 1, the county admissions tax applies to admission charges collected after June 30 of the year in which the ordinance is adopted. If the city-county council adopts an ordinance under subsection (a) on

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or after June 1, the county admissions tax applies to admission charges collected after the last day of the month in which the ordinance is adopted.

SECTION 7. IC 6-9-18-4, AS AMENDED BY P.L.67-1997, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) If a tax is levied under section 3 of this chapter, the county treasurer shall establish a convention, visitor, and tourism promotion fund. He shall deposit in this fund all amounts he receives under that section.

(b) In a county in which a commission has been established under section 5 of this chapter, the county auditor shall issue a warrant directing the county treasurer to transfer money from the convention, visitor, and tourism promotion fund to the commission's treasurer if the commission submits a written request for the transfer.

(c) Money in a convention, visitor, and tourism promotion fund, or money transferred from such a fund under subsection (b), may be expended only to promote and encourage conventions, visitors, and tourism within the county. Expenditures under this subsection may include, but are not limited to, expenditures for advertising, promotional activities, trade shows, special events, and recreation.

(d) ~~If before July 1, 1997, a county expends money transferred from a fund established under subsection (a) to fund capital expenditures for industrial development; the county may continue to expend money from the fund to fund capital expenditures for industrial development until July 1, 2002; or until bonds for which a pledge of revenues of the tax imposed under section 3 of this chapter before July 1, 1997, are paid. A county may not expend money from the fund to fund capital expenditures for industrial development that begins after July 1, 1997. issues a bond with a pledge of revenues from the tax imposed under section 3 of this chapter, the county shall continue to expend money from the fund for that purpose until the bond is paid.~~

SECTION 8. IC 6-9-23-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. (a) If a tax is imposed under section 3 of this chapter, the county treasurer shall establish a coliseum expansion fund. The county treasurer shall deposit in this fund all amounts received from the tax imposed under this chapter. Money in this fund may be appropriated only:

(1) for ~~the~~ **any** acquisition, improvement, remodeling, or expansion of:

(A) an athletic and exhibition coliseum in existence before the effective day of an ordinance adopted under section 3 of this chapter; **or**



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(B) if approved by an ordinance of the county fiscal body (other than an appropriations ordinance), an athletic and exhibition coliseum in existence before January 1, 1998; and

(2) to retire any bonds issued, loans obtained, or lease payments incurred under IC 36-1-10 (referred to in this chapter as "obligations") to remodel, expand, improve, or acquire:

(A) an athletic and exhibition coliseum in existence before the effective day of an ordinance adopted under section 3 of this chapter; or

(B) if approved by an ordinance of the county fiscal body (other than an appropriations ordinance), an athletic and exhibition coliseum in existence before January 1, 1998.

(b) Obligations entered into for the acquisition, expansion, remodeling, and improvement of an athletic and exhibition coliseum shall be retired by using money collected from a tax imposed under this chapter.

(c) Money collected under this chapter and set aside for debt reserve before July 1, 1998, may not be used for the purposes set forth in subsection (a)(1).

SECTION 9. IC 36-1-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to:

- (1) political subdivisions; and
- (2) agencies of political subdivisions;

that determine to acquire structures, transportation projects, or systems by lease or lease-purchase. **This chapter also applies to a convention and visitor bureau established under IC 6-9-2 that determines to acquire a visitor center by lease or lease purchase.**

(b) This chapter does not apply to:

- (1) the lease of library buildings under IC 20-14-10, unless the library board of the public library adopts a resolution to proceed under this chapter instead of IC 20-14-10;
 - (2) the lease of school buildings under IC 21-5;
 - (3) county hospitals organized or operating under IC 16-22-1 through IC 16-22-5;
 - (4) municipal hospitals organized or operating under IC 16-23-1;
- or
- (5) boards of aviation commissioners established under IC 8-22-2.

SECTION 10. An emergency is declared for this act.

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