



March 12, 1999

**ENGROSSED  
HOUSE BILL No. 1074**

DIGEST OF HB1074 (Updated March 11, 1999 11:02 am - DI 44)

**Citations Affected:** IC 6-9.

**Synopsis:** Jackson County innkeeper's tax. Sets forth the requirements of the uniform law in the Jackson County innkeeper's tax. Provides that the: (1) convention, visitor, and tourism promotion fund; (2) convention and visitor commission; (3) innkeeper's tax rate; and (4) tax collection procedures established under the uniform law before July 1, 1999, remain in effect. Allows Jackson County to spend 25% of the innkeeper's tax revenues for industrial and economic development.

**Effective:** July 1, 1999.

**Bailey, Steele**

(SENATE SPONSORS — SKILLMAN, LEWIS)

January 6, 1999, read first time and referred to Committee on Ways and Means.  
February 18, 1999, amended, reported — Do Pass.  
February 22, 1999, read second time, ordered engrossed. Engrossed.  
February 24, 1999, read third time, passed. Yeas 85, nays 8.

**SENATE ACTION**

March 3, 1999, read first time and referred to Committee on Finance.  
March 11, 1999, reported favorably — Do Pass.

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March 12, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

## ENGROSSED HOUSE BILL No. 1074

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

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

1 SECTION 1. IC 6-9-32 IS ADDED TO THE INDIANA CODE AS  
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 1999]:

4 **Chapter 32. Jackson County Innkeeper's Tax**

5 **Sec. 1. (a) This chapter applies to a county having a population**  
6 **of more than thirty-seven thousand (37,000) but less than**  
7 **thirty-seven thousand eight hundred (37,800) that had adopted an**  
8 **innkeeper's tax under IC 6-9-18 before July 1, 1999.**

9 (b) The:

- 10 (1) convention, visitor, and tourism promotion fund;  
11 (2) convention and visitor commission;  
12 (3) innkeeper's tax rate; and  
13 (4) tax collection procedures;

14 established under IC 6-9-18 before July 1, 1999, remain in effect  
15 and govern the county's innkeeper's tax until amended under this  
16 chapter.

EH 1074—LS 6527/DI 58+



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1 (c) A member of the convention and visitor commission  
 2 established under IC 6-9-18 before July 1, 1999, shall serve a full  
 3 term of office. If a vacancy occurs, the appointing authority shall  
 4 appoint a qualified replacement as provided under this chapter.  
 5 The appointing authority shall make other subsequent  
 6 appointments to the commission as provided under this chapter.

7 Sec. 2. As used in this chapter:

8 (1) "executive" and "fiscal body" have the meanings set forth  
 9 in IC 36-1-2; and

10 (2) "gross retail income" and "person" have the meanings set  
 11 forth in IC 6-2.5-1.

12 Sec. 3. (a) The fiscal body of a county may levy a tax on every  
 13 person engaged in the business of renting or furnishing, for periods  
 14 of less than thirty (30) days, any room or rooms, lodgings, or  
 15 accommodations in any:

16 (1) hotel;

17 (2) motel;

18 (3) boat motel;

19 (4) inn;

20 (5) college or university memorial union;

21 (6) college or university residence hall or dormitory; or

22 (7) tourist cabin;

23 located in the county.

24 (b) The tax does not apply to gross income received in a  
 25 transaction in which:

26 (1) a student rents lodgings in a college or university residence  
 27 hall while that student participates in a course of study for  
 28 which the student receives college credit from a college or  
 29 university located in the county; or

30 (2) a person rents a room, lodging, or accommodations for a  
 31 period of thirty (30) days or more.

32 (c) The tax may not exceed the rate of five percent (5%) on the  
 33 gross retail income derived from lodging income only and is in  
 34 addition to the state gross retail tax imposed under IC 6-2.5.

35 (d) The county fiscal body may adopt an ordinance to require  
 36 that the tax be reported on forms approved by the county treasurer  
 37 and that the tax shall be paid monthly to the county treasurer. If  
 38 such an ordinance is adopted, the tax shall be paid to the county  
 39 treasurer not more than twenty (20) days after the end of the  
 40 month the tax is collected. If such an ordinance is not adopted, the  
 41 tax shall be imposed, paid, and collected in exactly the same  
 42 manner as the state gross retail tax is imposed, paid, and collected



1 under IC 6-2.5.

2 (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
3 liabilities, procedures, penalties, definitions, exemptions, and  
4 administration are applicable to the imposition and administration  
5 of the tax imposed under this section except to the extent those  
6 provisions are in conflict or inconsistent with the specific  
7 provisions of this chapter or the requirements of the county  
8 treasurer. If the tax is paid to the department of state revenue, the  
9 return to be filed for the payment of the tax under this section may  
10 be either a separate return or may be combined with the return  
11 filed for the payment of the state gross retail tax as the department  
12 of state revenue may, by rule, determine.

13 (f) If the tax is paid to the department of state revenue, the  
14 amounts received from the tax imposed under this section shall be  
15 paid monthly by the treasurer of state to the county treasurer upon  
16 warrants issued by the auditor of state.

17 Sec. 4. (a) The county treasurer shall establish a convention,  
18 visitor, and tourism promotion fund. The treasurer shall deposit in  
19 this fund all amounts the treasurer receives under that section.

20 (b) The county auditor shall issue a warrant directing the  
21 county treasurer to transfer money from the convention, visitor,  
22 and tourism promotion fund to the treasurer of the commission  
23 established under section 5 of this chapter if the commission  
24 submits a written request for the transfer.

25 (c) Money in a convention, visitor, and tourism promotion fund,  
26 or money transferred from such a fund under subsection (b), may  
27 be expended:

28 (1) to promote and encourage conventions, visitors, and  
29 tourism within the county; and

30 (2) to promote and encourage industrial and economic  
31 development within the county. However, the county may not  
32 expend more than twenty-five percent (25%) of the revenues  
33 from the tax imposed under section 3 of this chapter to  
34 promote and encourage industrial and economic development.

35 Expenditures under subdivision (1) may include, but are not  
36 limited to, expenditures for advertising, promotional activities,  
37 trade shows, special events, and recreation.

38 (d) If before July 1, 1997, the county issued a bond with a pledge  
39 of revenues from the tax imposed under IC 6-9-18-3, the county  
40 shall continue to expend money from the fund for that purpose  
41 until the bond is paid.

42 Sec. 5. (a) The county executive shall create a commission to



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1 promote the development and growth of the convention, visitor,  
2 and tourism industry in the county. If two (2) or more adjoining  
3 counties desire to establish a joint commission, the counties shall  
4 enter into an agreement under IC 36-1-7.

5 (b) The county executive shall determine the number of  
6 members, which must be an odd number, to be appointed to the  
7 commission. A simple majority of the members must be:

8 (1) engaged in a convention, visitor, or tourism business; or

9 (2) involved in or promoting conventions, visitors, or tourism.

10 If available and willing to serve, at least two (2) of the members  
11 must be engaged in the business of renting or furnishing rooms,  
12 lodging, or accommodations (as described in section 3 of this  
13 chapter). Not more than one (1) member may be affiliated with the  
14 same business entity. No more than a simple majority of the  
15 members may be affiliated with the same political party. Each  
16 member must reside in the county. The county executive shall also  
17 determine who will make the appointments to the commission,  
18 except that the executive of the largest municipality in the county  
19 shall appoint a number of the members of the commission, which  
20 number shall be in the same ratio to the total size of the  
21 commission (rounded off to the nearest whole number) that the  
22 population of the largest municipality bears to the total population  
23 of the county.

24 (c) If a municipality other than the largest municipality in the  
25 county collects fifty percent (50%) or more of the tax revenue  
26 collected under this chapter during the three (3) month period  
27 following imposition of the tax, the executive of the municipality  
28 shall appoint the same number of members to the commission that  
29 the executive of the largest municipality in the county appoints  
30 under subsection (b).

31 (d) Except as provided in subsection (c), all terms of office of  
32 commission members begin on January 1. Initial appointments  
33 must be for staggered terms, with subsequent appointments for  
34 two (2) year terms. A member whose term expires may be  
35 reappointed to serve another term. If a vacancy occurs, the  
36 appointing authority shall appoint a qualified person to serve for  
37 the remainder of the term. If an initial appointment is not made by  
38 February 1 or a vacancy is not filled within thirty (30) days, the  
39 commission shall appoint a member by majority vote.

40 (e) A member of the commission may be removed for cause by  
41 the member's appointing authority.

42 (f) Members of the commission may not receive a salary.

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1 However, commission members are entitled to reimbursement for  
2 necessary expenses incurred in the performance of their respective  
3 duties.

4 (g) Each commission member, before entering the member's  
5 duties, shall take an oath of office in the usual form, to be endorsed  
6 upon the member's certificate of appointment and promptly filed  
7 with the clerk of the circuit court of the county.

8 (h) The commission shall meet after January 1 each year for the  
9 purpose of organization. It shall elect one (1) of its members  
10 president, another vice president, another secretary, and another  
11 treasurer. The members elected to those offices shall perform the  
12 duties pertaining to the offices. The first officers chosen shall serve  
13 from the date of their election until their successors are elected and  
14 qualified. A majority of the commission constitutes a quorum, and  
15 the concurrence of a majority of the commission is necessary to  
16 authorize any action.

17 Sec. 6. (a) The commission may:

18 (1) accept and use gifts, grants, and contributions from any  
19 public or private source, under terms and conditions that the  
20 commission considers necessary and desirable;

21 (2) sue and be sued;

22 (3) enter into contracts and agreements;

23 (4) make rules necessary for the conduct of its business and  
24 the accomplishment of its purposes;

25 (5) receive and approve, alter, or reject requests and  
26 proposals for funding by corporations qualified under  
27 subdivision (6);

28 (6) after its approval of a proposal, transfer money, quarterly  
29 or less frequently, from the fund established under section  
30 4(a) of this chapter, or from money transferred from that  
31 fund to the commission's treasurer under section 4(b) of this  
32 chapter, to any Indiana not-for-profit corporation to promote  
33 and encourage conventions, visitors, or tourism in the county;  
34 and

35 (7) require financial or other reports from any corporation  
36 that receives funds under this chapter.

37 (b) All expenses of the commission shall be paid from the fund  
38 established under section 4(a) of this chapter or from money  
39 transferred from that fund to the commission's treasurer under  
40 section 4(b) of this chapter. The commission shall annually prepare  
41 a budget, taking into consideration the recommendations made by  
42 a corporation qualified under subsection (a)(6), and submit it to the



1 county fiscal body for its review and approval. An expenditure may  
2 not be made under this chapter unless it is in accordance with an  
3 appropriation made by the county fiscal body in the manner  
4 provided by law.

5 Sec. 7. All money coming into possession of the commission shall  
6 be deposited, held, secured, invested, and paid in accordance with  
7 statutes relating to the handling of public funds. The handling and  
8 expenditure of money coming into possession of the commission is  
9 subject to audit and supervision by the state board of accounts.

10 Sec. 8. (a) A member of the commission who knowingly:

11 (1) approves the transfer of money to any person or  
12 corporation not qualified under law for that transfer; or

13 (2) approves a transfer for a purpose not permitted under  
14 law;

15 commits a Class D felony.

16 (b) A person who receives a transfer of money under this  
17 chapter and knowingly uses that money for any purpose not  
18 permitted under this chapter commits a Class D felony.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1074, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1074 as introduced.)

BAUER, Chair

Committee Vote: yeas 22, nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1074, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1074 as printed February 19, 1999.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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