



February 19, 1999

HOUSE BILL No. 1074

DIGEST OF HB 1074 (Updated February 17, 1999 7:36 pm - DI 92)

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

January 6, 1999, read first time and referred to Committee on Ways and Means.
February 18, 1999, amended, reported — Do Pass.

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HB 1074—LS 6527/DI 58+



February 19, 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.

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HOUSE BILL No. 1074

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.**
17 **(c) A member of the convention and visitor commission**

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

6 Sec. 2. As used in this chapter:

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

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

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

15 (1) hotel;

16 (2) motel;

17 (3) boat motel;

18 (4) inn;

19 (5) college or university memorial union;

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

21 (7) tourist cabin;

22 located in the county.

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

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

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

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

34 (d) The county fiscal body may adopt an ordinance to require
 35 that the tax be reported on forms approved by the county treasurer
 36 and that the tax shall be paid monthly to the county treasurer. If
 37 such an ordinance is adopted, the tax shall be paid to the county
 38 treasurer not more than twenty (20) days after the end of the
 39 month the tax is collected. If such an ordinance is not adopted, the
 40 tax shall be imposed, paid, and collected in exactly the same
 41 manner as the state gross retail tax is imposed, paid, and collected
 42 under IC 6-2.5.



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

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

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

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

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

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

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

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

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

41 Sec. 5. (a) The county executive shall create a commission to
 42 promote the development and growth of the convention, visitor,

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

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

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

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

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

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

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

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

41 (f) Members of the commission may not receive a salary.
 42 However, commission members are entitled to reimbursement for



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1 necessary expenses incurred in the performance of their respective
2 duties.

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

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

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

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

20 (2) sue and be sued;

21 (3) enter into contracts and agreements;

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

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

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

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

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



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1 not be made under this chapter unless it is in accordance with an
 2 appropriation made by the county fiscal body in the manner
 3 provided by law.
 4 **Sec. 7. All money coming into possession of the commission shall**
 5 **be deposited, held, secured, invested, and paid in accordance with**
 6 **statutes relating to the handling of public funds. The handling and**
 7 **expenditure of money coming into possession of the commission is**
 8 **subject to audit and supervision by the state board of accounts.**
 9 **Sec. 8. (a) A member of the commission who knowingly:**
 10 **(1) approves the transfer of money to any person or**
 11 **corporation not qualified under law for that transfer; or**
 12 **(2) approves a transfer for a purpose not permitted under**
 13 **law;**
 14 **commits a Class D felony.**
 15 **(b) A person who receives a transfer of money under this**
 16 **chapter and knowingly uses that money for any purpose not**
 17 **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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