



Reprinted  
February 2, 2000

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## HOUSE BILL No. 1067

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DIGEST OF HB 1067 (Updated February 1, 2000 8:56 PM - DI 73)

**Citations Affected:** IC 6-3.5; IC 6-9; noncode.

**Synopsis:** Local taxation. Allows Wayne County to impose the county adjusted gross income tax at a rate of 1.25%. Provides that the county adjusted gross income tax revenue in Wayne County that is derived from the additional 0.25% tax rate may be used only to pay the costs of constructing, improving, or renovating the county jail and related buildings and parking facilities. Authorizes the county council to pledge the tax revenue from the additional 0.25% tax rate to pay bonds issued for the construction, improvement, or renovation. Provides that Crawford County may adopt an ordinance to replace the uniform innkeeper's tax (currently in effect in the county) with a tax that includes private campsites and campgrounds. (The uniform tax does not apply to these types of lodgings.) Allows Orange County to adopt an innkeeper's tax separate from the uniform innkeeper's tax.

**Effective:** Upon passage; July 1, 2000.

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### Oxley, Denbo

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January 10, 2000, read first time and referred to Committee on Ways and Means.  
January 27, 2000, amended, reported — Do Pass.  
February 1, 2000, read second time, amended, ordered engrossed.

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Reprinted  
February 2, 2000

Second Regular Session 111th General Assembly (2000)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

## HOUSE BILL No. 1067

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-3.5-1.1-2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county  
3 council of any county in which the county option income tax will not  
4 be in effect on July 1 of a year under an ordinance adopted during a  
5 previous calendar year may impose the county adjusted gross income  
6 tax on the adjusted gross income of county taxpayers of its county  
7 effective July 1 of that year.

8 (b) Except as provided in section 2.5, **2.7**, or 3.5 of this chapter, the  
9 county adjusted gross income tax may be imposed at a rate of one-half  
10 of one percent (0.5%), three-fourths of one percent (0.75%), or one  
11 percent (1%) on the adjusted gross income of resident county taxpayers  
12 of the county. Any county imposing the county adjusted gross income  
13 tax must impose the tax on the nonresident county taxpayers at a rate  
14 of one-fourth of one percent (0.25%) on their adjusted gross income.  
15 If the county council elects to decrease the county adjusted gross  
16 income tax, the county council may decrease the county adjusted gross  
17 income tax rate in increments of one-tenth of one percent (0.1%).

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1 (c) To impose the county adjusted gross income tax, the county  
2 council must, after January 1 but before April 1 of a year, adopt an  
3 ordinance. The ordinance must substantially state the following:

4 "The \_\_\_\_\_ County Council imposes the county adjusted  
5 gross income tax on the county taxpayers of \_\_\_\_\_ County.  
6 The county adjusted gross income tax is imposed at a rate of  
7 \_\_\_\_\_ percent (\_\_\_\_%) on the resident county taxpayers of the  
8 county and one-fourth of one percent (0.25%) on the nonresident  
9 county taxpayers of the county. This tax takes effect July 1 of this  
10 year."

11 (d) Any ordinance adopted under this section takes effect July 1 of  
12 the year the ordinance is adopted.

13 (e) The auditor of a county shall record all votes taken on  
14 ordinances presented for a vote under the authority of this section and  
15 immediately send a certified copy of the results to the department by  
16 certified mail.

17 (f) If the county adjusted gross income tax had previously been  
18 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,  
19 1983) and that tax was in effect at the time of the enactment of this  
20 chapter, then the county adjusted gross income tax continues in that  
21 county at the rates in effect at the time of enactment until the rates are  
22 modified or the tax is rescinded in the manner prescribed by this  
23 chapter. If a county's adjusted gross income tax is continued under this  
24 subsection, then the tax shall be treated as if it had been imposed under  
25 this chapter and is subject to rescission or reduction as authorized in  
26 this chapter.

27 SECTION 2. IC 6-3.5-1.1-2.7 IS ADDED TO THE INDIANA  
28 CODE AS A NEW SECTION TO READ AS FOLLOWS  
29 [EFFECTIVE UPON PASSAGE]: **Sec. 2.7. (a) This section applies  
30 only to a county having a population of more than sixty-eight  
31 thousand (68,000) but less than seventy-three thousand (73,000).**

32 **(b) The county council of a county described in subsection (a)  
33 may, by ordinance, determine that additional county adjusted  
34 gross income tax revenue is needed in the county to finance,  
35 construct, improve, or renovate the county jail and related  
36 buildings and parking facilities, including costs related to the  
37 demolition of existing buildings and the acquisition of land.**

38 **(c) Notwithstanding section 2 of this chapter, if the county  
39 council adopts an ordinance under subsection (b), the county  
40 council may impose the county adjusted gross income tax at a rate  
41 of one and twenty-five hundredths percent (1.25%) on adjusted  
42 gross income. However, a county may impose the county adjusted**

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1 gross income tax at a rate of one and twenty-five hundredths  
2 percent (1.25%) only until the later of:

- 3 (1) the time the construction, improvement, or renovation  
4 under subsection (b) is completed; or  
5 (2) the time any bonds issued or loans obtained to finance the  
6 construction, improvement, or renovation under subsection  
7 (b) are paid.

8 After the county has imposed the county adjusted gross income tax  
9 at a rate of one and twenty-five hundredths percent (1.25%) for the  
10 period allowed by this subsection, the rate is reduced to one  
11 percent (1%). If the county council imposes the county adjusted  
12 gross income tax at a rate of one and twenty-five hundredths  
13 percent (1.25%), the county council may decrease the rate or  
14 rescind the tax in the manner provided under this chapter.

15 (d) If a county imposes the county adjusted gross income tax at  
16 a rate of one and twenty-five hundredths percent (1.25%) under  
17 this section, the revenue derived from a tax rate of twenty-five  
18 hundredths percent (0.25%) on adjusted gross income:

- 19 (1) shall be paid to the county treasurer;  
20 (2) may be used only for the purposes described in subsection  
21 (b);  
22 (3) may not be considered by the state board of tax  
23 commissioners in determining the county's maximum  
24 permissible property tax levy limit under IC 6-1.1-18.5; and  
25 (4) may be pledged by the county council to pay bonds issued  
26 or loans obtained by the county for the purposes described in  
27 subsection (b).

28 (e) A pledge under subsection (d):

- 29 (1) applies only to bonds, loans, lease payments, or obligations  
30 that are issued, obtained, or incurred after the date the  
31 additional tax rate of twenty-five hundredths percent (0.25%)  
32 on adjusted gross income is imposed under this section; and  
33 (2) is enforceable under IC 5-1-14-4.

34 (f) With respect to obligations for which a pledge has been made  
35 under subsection (d), the general assembly covenants with the  
36 holders of the obligations that this chapter will not be repealed or  
37 amended in a manner that will adversely affect the imposition or  
38 collection of the additional tax rate of twenty-five hundredths  
39 percent (0.25%) on adjusted gross income tax imposed under this  
40 section if the payment of any of the obligations is outstanding.

41 SECTION 3. IC 6-3.5-1.1-10 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) One-half



1 ~~(1/2)~~ **(1/2)** of each adopting county's certified distribution for a calendar  
 2 year shall be distributed from its account established under section 8  
 3 of this chapter to the appropriate county treasurer on May 1 and the  
 4 other one-half ~~(1/2)~~ **(1/2)** on November 1 of that calendar year.

5 (b) Except for revenue that must be used to pay the costs of  
 6 operating a jail and juvenile detention center under section 2.5(d) of  
 7 this chapter, **revenue that must be used to pay the costs of**  
 8 **construction, improvement, or renovation of a jail under section**  
 9 **2.7 of this chapter**, or revenue that must be used to pay the costs of  
 10 operating and maintaining a jail and justice center under section 3.5(d)  
 11 of this chapter, distributions made to a county treasurer under  
 12 subsection (a) shall be treated as though they were property taxes that  
 13 were due and payable during that same calendar year. The certified  
 14 distribution shall be distributed and used by the taxing units and school  
 15 corporations as provided in sections 11 through 15 of this chapter.

16 (c) All distributions from an account established under section 8 of  
 17 this chapter shall be made by warrants issued by the auditor of the state  
 18 to the treasurer of the state ordering the appropriate payments.

19 SECTION 4. IC 6-3.5-1.1-11 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for  
 21 revenue that must be used to pay the costs of operating a jail and  
 22 juvenile detention center under section 2.5(d) of this chapter, **revenue**  
 23 **that must be used to pay the costs of construction, improvement, or**  
 24 **renovation of a jail under section 2.7 of this chapter**, or revenue that  
 25 must be used to pay the costs of operating and maintaining a jail and  
 26 justice center under section 3.5(d) of this chapter, the certified  
 27 distribution received by a county treasurer shall, in the manner  
 28 prescribed in this section, be allocated, distributed, and used by the  
 29 civil taxing units and school corporations of the county as certified  
 30 shares and property tax replacement credits.

31 (b) Before August 2 of each calendar year, each county auditor shall  
 32 determine the part of the certified distribution for the next succeeding  
 33 calendar year that will be allocated as property tax replacement credits  
 34 and the part that will be allocated as certified shares. The percentage  
 35 of a certified distribution that will be allocated as property tax  
 36 replacement credits or as certified shares depends upon the county  
 37 adjusted gross income tax rate for resident county taxpayers in effect  
 38 on August 1 of the calendar year that precedes the year in which the  
 39 certified distribution will be received. The percentages are set forth in  
 40 the following table:

	PROPERTY
COUNTY	TAX

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	ADJUSTED GROSS INCOME TAX RATE	REPLACEMENT CREDITS	CERTIFIED SHARES
1			
2			
3	0.5%	50%	50%
4	0.75%	33 1/3%	66 2/3%
5	1%	25%	75%

6 (c) The part of a certified distribution that constitutes property tax  
7 replacement credits shall be distributed as provided under sections 12,  
8 13, and 14 of this chapter.

9 (d) The part of a certified distribution that constitutes certified  
10 shares shall be distributed as provided by section 15 of this chapter.

11 SECTION 5. IC 6-3.5-7-5 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as  
13 provided in subsection (c), the county economic development income  
14 tax may be imposed on the adjusted gross income of county taxpayers.  
15 The entity that may impose the tax is:

- 16 (1) the county income tax council (as defined in IC 6-3.5-6-1) if  
17 the county option income tax is in effect on January 1 of the year  
18 the county economic development income tax is imposed;
- 19 (2) the county council if the county adjusted gross income tax is  
20 in effect on January 1 of the year the county economic  
21 development tax is imposed; or
- 22 (3) the county income tax council or the county council,  
23 whichever acts first, for a county not covered by subdivision (1)  
24 or (2).

25 To impose the county economic development income tax, a county  
26 income tax council shall use the procedures set forth in IC 6-3.5-6  
27 concerning the imposition of the county option income tax.

28 (b) Except as provided in subsections (c) and (g), the county  
29 economic development income tax may be imposed at a rate of:

- 30 (1) one-tenth percent (0.1%);
- 31 (2) two-tenths percent (0.2%);
- 32 (3) twenty-five hundredths percent (0.25%);
- 33 (4) three-tenths percent (0.3%);
- 34 (5) thirty-five hundredths percent (0.35%);
- 35 (6) four-tenths percent (0.4%);
- 36 (7) forty-five hundredths percent (0.45%); or
- 37 (8) five-tenths percent (0.5%);

38 on the adjusted gross income of county taxpayers.

39 (c) Except as provided in subsection (h), ~~or~~ (i), **or (j)**, the county  
40 economic development income tax rate plus the county adjusted gross  
41 income tax rate, if any, that are in effect on January 1 of a year may not  
42 exceed one and twenty-five hundredths percent (1.25%). Except as

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1 provided in subsection (g), the county economic development tax rate  
 2 plus the county option income tax rate, if any, that are in effect on  
 3 January 1 of a year may not exceed one percent (1%).

4 (d) To impose the county economic development income tax, the  
 5 appropriate body must, after January 1 but before April 1 of a year,  
 6 adopt an ordinance. The ordinance must substantially state the  
 7 following:

8 "The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic  
 9 development income tax on the county taxpayers of \_\_\_\_\_  
 10 County. The county economic development income tax is imposed at  
 11 a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the county taxpayers of the  
 12 county. This tax takes effect July 1 of this year."

13 (e) Any ordinance adopted under this section takes effect July 1 of  
 14 the year the ordinance is adopted.

15 (f) The auditor of a county shall record all votes taken on ordinances  
 16 presented for a vote under the authority of this section and immediately  
 17 send a certified copy of the results to the department by certified mail.

18 (g) This subsection applies to a county having a population of more  
 19 than one hundred twenty-nine thousand (129,000) but less than one  
 20 hundred thirty thousand six hundred (130,600). In addition to the rates  
 21 permitted by subsection (b), the:

22 (1) county economic development income tax may be imposed at  
 23 a rate of:

24 (A) fifteen-hundredths percent (0.15%);

25 (B) two-tenths percent (0.2%); or

26 (C) twenty-five hundredths percent (0.25%); and

27 (2) county economic development income tax rate plus the county  
 28 option income tax rate that are in effect on January 1 of a year  
 29 may equal up to one and twenty-five hundredths percent (1.25%);  
 30 if the county income tax council makes a determination to impose rates  
 31 under this subsection and section 22 of this chapter.

32 (h) For a county having a population of more than thirty-seven  
 33 thousand (37,000) but less than thirty-seven thousand eight hundred  
 34 (37,800), the county economic development income tax rate plus the  
 35 county adjusted gross income tax rate that are in effect on January 1 of  
 36 a year may not exceed one and thirty-five hundredths percent (1.35%)  
 37 if the county has imposed the county adjusted gross income tax at a rate  
 38 of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

39 (i) For a county having a population of more than twelve thousand  
 40 six hundred (12,600) but less than thirteen thousand (13,000), the  
 41 county economic development income tax rate plus the county adjusted  
 42 gross income tax rate that are in effect on January 1 of a year may not



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1 exceed one and fifty-five hundredths percent (1.55%).

2 (j) For a county having a population of more than sixty-eight  
3 thousand (68,000) but less than seventy-three thousand (73,000),  
4 the county economic development income tax rate plus the county  
5 adjusted gross income tax rate that are in effect on January 1 of a  
6 year may not exceed one and five-tenths percent (1.5%).

7 SECTION 6. IC 6-9-34 IS ADDED TO THE INDIANA CODE AS  
8 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
9 1, 2000]:

10 **Chapter 34. Crawford County Innkeeper's Tax**

11 **Sec. 1. (a) This chapter applies to a county having a population**  
12 **of more than nine thousand five hundred (9,500) but less than ten**  
13 **thousand (10,000) that adopted an innkeeper's tax under IC 6-9-18**  
14 **before July 1, 2000.**

15 (b) The:

- 16 (1) convention, visitor, and tourism promotion fund;  
17 (2) convention and visitor commission;  
18 (3) innkeeper's tax rate; and  
19 (4) tax collection procedures;

20 established under IC 6-9-18 before July 1, 2000, remain in effect  
21 and govern the county's innkeeper's tax until an ordinance to  
22 impose the tax under this chapter is adopted by the county fiscal  
23 body.

24 (c) A member of the convention and visitor commission  
25 established by the county under IC 6-9-18 before July 1, 2000, shall  
26 serve a full term of office. If a vacancy occurs, the appointing  
27 authority shall appoint a qualified replacement as provided under  
28 this chapter. The appointing authority shall make other subsequent  
29 appointments to the commission as provided under this chapter.

30 **Sec. 2. As used in this chapter, "executive" has the meaning set**  
31 **forth in IC 36-1-2-5.**

32 **Sec. 3. As used in this chapter, "fiscal body" has the meaning set**  
33 **forth in IC 36-1-2-6.**

34 **Sec. 4. As used in this chapter, "gross retail income" has the**  
35 **meaning set forth in IC 6-2.5-1-5.**

36 **Sec. 5. As used in this chapter, "person" has the meaning set**  
37 **forth in IC 6-2.5-1-3.**

38 **Sec. 6. (a) The fiscal body of a county may levy a tax on every**  
39 **person engaged in the business of renting or furnishing, for periods**  
40 **of less than thirty (30) days, any room or rooms, lodgings, or**  
41 **accommodations in any:**

- 42 (1) hotel;



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1           (2) motel;  
 2           (3) boat motel;  
 3           (4) inn;  
 4           (5) college or university memorial union;  
 5           (6) college or university residence hall or dormitory;  
 6           (7) tourist cabin; or  
 7           (8) private campsite or private campground;  
 8 located in the county.

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

11           (1) a student rents lodgings in a college or university residence  
 12 hall while that student participates in a course of study for  
 13 which the student receives college credit from a college or  
 14 university located in the county; or

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

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

20           (d) The county fiscal body may adopt an ordinance to require  
 21 that the tax be reported on forms approved by the county treasurer  
 22 and that the tax shall be paid monthly to the county treasurer. If  
 23 such an ordinance is adopted, the tax shall be paid to the county  
 24 treasurer not more than twenty (20) days after the end of the  
 25 month in which the tax is collected. If such an ordinance is not  
 26 adopted, the tax shall be imposed, paid, and collected in exactly the  
 27 same manner as the state gross retail tax is imposed, paid, and  
 28 collected under IC 6-2.5.

29           (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
 30 liabilities, procedures, penalties, definitions, exemptions, and  
 31 administration are applicable to the imposition and administration  
 32 of the tax imposed under this section except to the extent those  
 33 provisions are in conflict or are inconsistent with the specific  
 34 provisions of this chapter or the requirements of the county  
 35 treasurer. If the tax is paid to the department of state revenue, the  
 36 return to be filed for the payment of the tax under this section may  
 37 be either a separate return or may be combined with the return  
 38 filed for the payment of the state gross retail tax as the department  
 39 of state revenue may, by rule, determine.

40           (f) If the tax is paid to the department of state revenue, the  
 41 amounts received from the tax imposed under this section shall be  
 42 paid monthly by the treasurer of state to the county treasurer upon



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1 warrants issued by the auditor of state.

2 **Sec. 7. (a) If a tax is levied under section 6 of this chapter, the**  
 3 **county treasurer shall establish a convention, visitor, and tourism**  
 4 **promotion fund. The county treasurer shall deposit in this fund all**  
 5 **amounts the county treasurer receives under that section.**

6 **(b) In a county in which a commission has been established**  
 7 **under section 8 of this chapter, the county auditor shall issue a**  
 8 **warrant directing the county treasurer to transfer money from the**  
 9 **convention, visitor, and tourism promotion fund to the**  
 10 **commission's treasurer if the commission submits a written request**  
 11 **for the transfer.**

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

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

22 **Sec. 8. (a) If a tax is levied under section 6 of this chapter, the**  
 23 **county executive shall create a commission to promote the**  
 24 **development and growth of the convention, visitor, and tourism**  
 25 **industry in the county. If two (2) or more adjoining counties desire**  
 26 **to establish a joint commission, the counties shall enter into an**  
 27 **agreement under IC 36-1-7.**

28 **(b) The county executive shall determine the number of**  
 29 **members, which must be an odd number, to be appointed to the**  
 30 **commission. A simple majority of the members must be:**

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

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

33 **If available and willing to serve, at least two (2) of the members**  
 34 **must be engaged in the business of renting or furnishing rooms,**  
 35 **lodging, or accommodations (as described in section 6 of this**  
 36 **chapter). Not more than one (1) member may be affiliated with the**  
 37 **same business entity. Not more than a simple majority of the**  
 38 **members may be affiliated with the same political party. Each**  
 39 **member must reside in the county. The county executive shall**  
 40 **determine who will make the appointments to the commission.**  
 41 **However, the executive of the largest municipality in the county**  
 42 **shall appoint a number of the members of the commission,**



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1 determined by taking the same ratio to the total size of the  
 2 commission (rounded off to the nearest whole number) that the  
 3 population of the largest municipality bears to the total population  
 4 of the county.

5 (c) If a municipality other than the largest municipality in the  
 6 county collects fifty percent (50%) or more of the tax revenue  
 7 collected under this chapter during the three (3) month period  
 8 following imposition of the tax, the executive of the municipality  
 9 shall appoint the same number of members to the commission that  
 10 the executive of the largest municipality in the county appoints  
 11 under subsection (b).

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

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

23 (f) Members of the commission may not receive a salary.  
 24 However, commission members are entitled to reimbursement for  
 25 necessary expenses incurred in the performance of their respective  
 26 duties.

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

31 (h) The commission shall meet after January 1 for the purpose  
 32 of organization. It shall elect one (1) of its members president,  
 33 another vice president, another secretary, and another treasurer.  
 34 The members elected to those offices shall perform the duties  
 35 pertaining to the offices. The first officers chosen shall serve from  
 36 the date of their election until their successors are elected and  
 37 qualified. A majority of the commission constitutes a quorum, and  
 38 the concurrence of a majority of the commission is necessary to  
 39 authorize any action.

40 **Sec. 9. (a) The commission may:**

41 (1) accept and use gifts, grants, and contributions from any  
 42 public or private source, under terms and conditions that the

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1           commission considers necessary and desirable;  
 2           (2) sue and be sued;  
 3           (3) enter into contracts and agreements;  
 4           (4) make rules necessary for the conduct of its business and  
 5           the accomplishment of its purposes;  
 6           (5) receive and approve, alter, or reject requests and  
 7           proposals for funding by corporations qualified under  
 8           subdivision (6);  
 9           (6) after its approval of a proposal, transfer money, quarterly  
 10          or less frequently, from the fund established under section  
 11          7(a) of this chapter, or from money transferred from that  
 12          fund to the commission's treasurer under section 7(b) of this  
 13          chapter, to an Indiana nonprofit corporation to promote and  
 14          encourage conventions, visitors, or tourism in the county; and  
 15          (7) require financial or other reports from a corporation that  
 16          receives funds under this chapter.

17          (b) All expenses of the commission shall be paid from the fund  
 18          established under section 7(a) of this chapter or from money  
 19          transferred from that fund to the commission's treasurer under  
 20          section 7(b) of this chapter. The commission shall annually prepare  
 21          a budget, taking into consideration the recommendations made by  
 22          a corporation qualified under subsection (a)(6) and submit it to the  
 23          county fiscal body for its review and approval. An expenditure may  
 24          not be made under this chapter unless it is in accordance with an  
 25          appropriation made by the county fiscal body in the manner  
 26          provided by law.

27          Sec. 10. All money coming into possession of the commission  
 28          shall be deposited, held, secured, invested, and paid in accordance  
 29          with statutes relating to the handling of public funds. The handling  
 30          and expenditure of money coming into possession of the  
 31          commission is subject to audit and supervision by the state board  
 32          of accounts.

33          Sec. 11. (a) A member of the commission who knowingly  
 34          approves:

35               (1) the transfer of money to any person or corporation not  
 36               qualified under law for that transfer; or

37               (2) a transfer for a purpose not permitted under law;

38          commits a Class D felony.

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

42          SECTION 7. IC 6-9-35 IS ADDED TO THE INDIANA CODE AS



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1 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
2 1, 2000]:

3 **Chapter 35. Orange County Innkeeper's Tax**

4 **Sec. 1. (a) This chapter applies to a county having a population**  
5 **of more than eighteen thousand three hundred (18,300) but less**  
6 **than eighteen thousand five hundred (18,500) that adopted an**  
7 **innkeeper's tax under IC 6-9-18 before July 1, 2000.**

8 (b) The:

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

13 established under IC 6-9-18 before July 1, 2000, remain in effect  
14 and govern the county's innkeeper's tax through June 30, 2000.  
15 After June 30, 2000, this chapter governs the county's innkeeper's  
16 tax. However, the tax rate and tax collection procedures adopted  
17 under IC 6-9-18 remain in effect after June 30, 2000, unless the  
18 rate or collection procedures are amended by an ordinance  
19 adopted under this chapter.

20 (c) A member of the convention and visitor commission  
21 established by the county under IC 6-9-18 before July 1, 2000, shall  
22 serve a full term of office. If a vacancy occurs, the appointing  
23 authority shall appoint a qualified replacement as provided under  
24 this chapter. The appointing authority shall make other subsequent  
25 appointments to the commission as provided under this chapter.

26 **Sec. 2. As used in this chapter, "executive" has the meaning set**  
27 **forth in IC 36-1-2-5.**

28 **Sec. 3. As used in this chapter, "fiscal body" has the meaning set**  
29 **forth in IC 36-1-2-6.**

30 **Sec. 4. As used in this chapter, "gross retail income" has the**  
31 **meaning set forth in IC 6-2.5-1-5.**

32 **Sec. 5. As used in this chapter, "person" has the meaning set**  
33 **forth in IC 6-2.5-1-3.**

34 **Sec. 6. (a) The fiscal body of a county may levy a tax on every**  
35 **person engaged in the business of renting or furnishing, for periods**  
36 **of less than thirty (30) days, any room or rooms, lodgings, or**  
37 **accommodations in any:**

- 38 (1) hotel;  
39 (2) motel;  
40 (3) boat motel;  
41 (4) inn;  
42 (5) college or university memorial union;



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(6) college or university residence hall or dormitory; or  
(7) tourist cabin;  
located in the county.

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

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

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

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

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

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

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

Sec. 7. (a) If a tax is levied under section 6 of this chapter, the county treasurer shall establish a convention, visitor, and tourism promotion fund. The county treasurer shall deposit in this fund all amounts the county treasurer receives under that section.

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1           (b) In a county in which a commission has been established  
2 under section 8 of this chapter, the county auditor shall issue a  
3 warrant directing the county treasurer to transfer money from the  
4 convention, visitor, and tourism promotion fund to the  
5 commission's treasurer if the commission submits a written request  
6 for the transfer.

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

13           Sec. 8. (a) If a tax is levied under section 6 of this chapter, the  
14 county executive shall create a commission to promote the  
15 development and growth of the convention, visitor, and tourism  
16 industry in the county. If two (2) or more adjoining counties desire  
17 to establish a joint commission, the counties shall enter into an  
18 agreement under IC 36-1-7.

19           (b) A commission established under this section consists of the  
20 following seven (7) members:

21           (1) Four (4) members appointed by the executive of a  
22 municipality in which seventy-five percent (75%) or more of  
23 the tax revenue collected under IC 6-9-18 was collected.

24           (2) Two (2) members appointed by the county executive.

25           (3) One (1) member appointed by the executive of the largest  
26 municipality located in the county.

27           (c) A simple majority of the members appointed under this  
28 section must be:

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

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

31 If available and willing to serve, at least two (2) of the members  
32 must be engaged in the business of renting or furnishing rooms,  
33 lodging, or accommodations (as described in section 6 of this  
34 chapter). Not more than one (1) member may be affiliated with the  
35 same business entity. Not more than a simple majority of the  
36 members may be affiliated with the same political party. Each  
37 member must reside in the county.

38           (d) All terms of office of commission members begin on January  
39 1. Initial appointments must be for staggered terms, with  
40 subsequent appointments for two (2) year terms. A member whose  
41 term expires may be reappointed to serve another term. If a  
42 vacancy occurs, the appointing authority shall appoint a qualified

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1 person to serve for the remainder of the term. If an initial  
 2 appointment is not made by February 1 or a vacancy is not filled  
 3 within thirty (30) days, the commission shall appoint a member by  
 4 majority vote.

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

7 (f) Members of the commission may not receive a salary.  
 8 However, commission members are entitled to reimbursement for  
 9 necessary expenses incurred in the performance of their respective  
 10 duties.

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

15 (h) The commission shall meet after January 1 for the purpose  
 16 of organization. It shall elect one (1) of its members president,  
 17 another vice president, another secretary, and another treasurer.  
 18 The members elected to those offices shall perform the duties  
 19 pertaining to the offices. The first officers chosen shall serve from  
 20 the date of their election until their successors are elected and  
 21 qualified. A majority of the commission constitutes a quorum, and  
 22 the concurrence of a majority of the commission is necessary to  
 23 authorize any action.

24 **Sec. 9. (a) The commission may:**

- 25 (1) accept and use gifts, grants, and contributions from any  
 26 public or private source, under terms and conditions that the  
 27 commission considers necessary and desirable;  
 28 (2) sue and be sued;  
 29 (3) enter into contracts and agreements;  
 30 (4) make rules necessary for the conduct of its business and  
 31 the accomplishment of its purposes;  
 32 (5) receive and approve, alter, or reject requests and  
 33 proposals for funding by corporations qualified under  
 34 subdivision (6);  
 35 (6) after its approval of a proposal, transfer money, quarterly  
 36 or less frequently, from the fund established under section  
 37 7(a) of this chapter, or from money transferred from that  
 38 fund to the commission's treasurer under section 7(b) of this  
 39 chapter, to an Indiana nonprofit corporation to promote and  
 40 encourage conventions, visitors, or tourism in the county; and  
 41 (7) require financial or other reports from a corporation that  
 42 receives funds under this chapter.



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1 (b) All expenses of the commission shall be paid from the fund  
 2 established under section 7(a) of this chapter or from money  
 3 transferred from that fund to the commission's treasurer under  
 4 section 7(b) of this chapter. The commission shall annually prepare  
 5 a budget, taking into consideration the recommendations made by  
 6 a corporation qualified under subsection (a)(6) and submit it to the  
 7 county fiscal body for its review and approval. An expenditure may  
 8 not be made under this chapter unless it is in accordance with an  
 9 appropriation made by the county fiscal body in the manner  
 10 provided by law.

11 Sec. 10. All money coming into possession of the commission  
 12 shall be deposited, held, secured, invested, and paid in accordance  
 13 with statutes relating to the handling of public funds. The handling  
 14 and expenditure of money coming into possession of the  
 15 commission is subject to audit and supervision by the state board  
 16 of accounts.

17 Sec. 11. (a) A member of the commission who knowingly  
 18 approves:

19 (1) the transfer of money to any person or corporation not  
 20 qualified under law for that transfer; or

21 (2) a transfer for a purpose not permitted under law;  
 22 commits a Class D felony.

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

26 SECTION 8. [EFFECTIVE UPON PASSAGE] (a)  
 27 Notwithstanding IC 6-3.5-1.1-3, the county council of a county  
 28 described in IC 6-3.5-1.1-2.7, as added by this act, may adopt an  
 29 ordinance to increase the county's county adjusted gross income  
 30 tax rate after the April 1 deadline provided in IC 6-3.5-1.1-3(a).

31 (b) This SECTION expires January 1, 2001.

32 SECTION 9. [EFFECTIVE JULY 1, 2000] (a) This SECTION  
 33 applies to a commission to promote and encourage conventions,  
 34 visitors, and tourism established under IC 6-9-35-8, as added by  
 35 this act.

36 (b) This SECTION provides the procedure for the transition to  
 37 a commission with membership appointed under IC 6-9-35-8, as  
 38 added by this act.

39 (c) Each member of the commission who was appointed before  
 40 July 1, 2000, may continue to serve on the commission until the  
 41 normal expiration of the member's term. However, upon the  
 42 expiration of a member's term, each vacancy shall be filled by

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**appointment as follows:**

**(1) The first three (3) vacancies for members appointed by the county executive and the vacancy for a member appointed by the municipality in the county in which more than fifty percent (50%) of the revenue was collected under IC 6-9-18 shall be filled by appointment under IC 6-9-35-8(b)(1), as added by this act.**

**(2) The fourth and fifth vacancies for members appointed by the county executive shall be filled by appointment under IC 6-9-35-8(b)(2), as added by this act.**

**(3) The vacancy for a member appointed by the largest municipality in the county shall be filled by appointment under IC 6-9-35-8(b)(3), as added by this act.**

**(d) This SECTION expires December 31, 2003.**

**SECTION 10. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1067, 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 1067 as introduced.)

BAUER, Chair

Committee Vote: yeas 21, nays 1.

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## HOUSE MOTION

Mr. Speaker: I move that House Bill 1067 be amended to read as follows:

Page 11, between lines 41 through 42, begin a new paragraph and insert:

"SECTION 7. IC 6-9-35 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]:

**Chapter 35. Orange County Innkeeper's Tax**

**Sec. 1. (a) This chapter applies to a county having a population of more than eighteen thousand three hundred (18,300) but less than eighteen thousand five hundred (18,500) that adopted an innkeeper's tax under IC 6-9-18 before July 1, 2000.**

**(b) 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 IC 6-9-18 before July 1, 2000, remain in effect and govern the county's innkeeper's tax through June 30, 2000. After June 30, 2000, this chapter governs the county's innkeeper's tax. However, the tax rate and tax collection procedures adopted under IC 6-9-18 remain in effect after June 30, 2000, unless the rate or collection procedures are amended by an ordinance adopted under this chapter.**

**(c) A member of the convention and visitor commission established by the county under IC 6-9-18 before July 1, 2000, shall serve a full term of office. If a vacancy occurs, the appointing authority shall appoint a qualified replacement as provided under this chapter. The appointing authority shall make other subsequent appointments to the commission as provided under this chapter.**

**Sec. 2. As used in this chapter, "executive" has the meaning set forth in IC 36-1-2-5.**

**Sec. 3. As used in this chapter, "fiscal body" has the meaning set forth in IC 36-1-2-6.**

**Sec. 4. As used in this chapter, "gross retail income" has the meaning set forth in IC 6-2.5-1-5.**

**Sec. 5. As used in this chapter, "person" has the meaning set forth in IC 6-2.5-1-3.**

**Sec. 6. (a) The fiscal body of a county may levy a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or**



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accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn;
- (5) college or university memorial union;
- (6) college or university residence hall or dormitory; or
- (7) tourist cabin;

located in the county.

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

- (1) a student rents lodgings in a college or university residence hall while that student participates in a course of study for which the student receives college credit from a college or university located in the county; or
- (2) a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

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

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

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

(f) If the tax is paid to the department of state revenue, the amounts received from the tax imposed under this section shall be

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paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

**Sec. 7. (a)** If a tax is levied under section 6 of this chapter, the county treasurer shall establish a convention, visitor, and tourism promotion fund. The county treasurer shall deposit in this fund all amounts the county treasurer receives under that section.

**(b)** In a county in which a commission has been established under section 8 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.

**Sec. 8. (a)** If a tax is levied under section 6 of this chapter, the county executive shall create a commission to promote the development and growth of the convention, visitor, and tourism industry in the county. If two (2) or more adjoining counties desire to establish a joint commission, the counties shall enter into an agreement under IC 36-1-7.

**(b)** A commission established under this section consists of the following seven (7) members:

- (1)** Four (4) members appointed by the executive of a municipality in which seventy-five percent (75%) or more of the tax revenue collected under IC 6-9-18 was collected.
- (2)** Two (2) members appointed by the county executive.
- (3)** One (1) member appointed by the executive of the largest municipality located in the county.

**(c)** A simple majority of the members appointed under this section must be:

- (1)** engaged in a convention, visitor, or tourism business; or
- (2)** involved in or promoting conventions, visitors, or tourism.

If available and willing to serve, at least two (2) of the members must be engaged in the business of renting or furnishing rooms, lodging, or accommodations (as described in section 6 of this chapter). Not more than one (1) member may be affiliated with the same business entity. Not more than a simple majority of the members may be affiliated with the same political party. Each



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member must reside in the county.

(d) All terms of office of commission members begin on January 1. Initial appointments must be for staggered terms, with subsequent appointments for two (2) year terms. A member whose term expires may be reappointed to serve another term. If a vacancy occurs, the appointing authority shall appoint a qualified person to serve for the remainder of the term. If an initial appointment is not made by February 1 or a vacancy is not filled within thirty (30) days, the commission shall appoint a member by majority vote.

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

(f) Members of the commission may not receive a salary. However, commission members are entitled to reimbursement for necessary expenses incurred in the performance of their respective duties.

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

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

**Sec. 9. (a) The commission may:**

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the commission 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, quarterly or less frequently, from the fund established under section



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7(a) of this chapter, or from money transferred from that fund to the commission's treasurer under section 7(b) of this chapter, to an Indiana nonprofit corporation to promote and encourage conventions, visitors, or tourism in the county; and (7) require financial or other reports from a corporation that receives funds under this chapter.

(b) All expenses of the commission shall be paid from the fund established under section 7(a) of this chapter or from money transferred from that fund to the commission's treasurer under section 7(b) of this chapter. The commission 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 fiscal body for its review and approval. An expenditure may not be made under this chapter unless it is in accordance with an appropriation made by the county fiscal body in the manner provided by law.

Sec. 10. All money coming into possession of the commission 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 commission is subject to audit and supervision by the state board of accounts.

Sec. 11. (a) A member of the commission who knowingly approves:

- (1) the transfer of money to any person or corporation not qualified under law for that transfer; or
- (2) a transfer for a purpose not permitted under law;

commits a Class D felony.

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

Page 12, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE JULY 1, 2000] (a) This SECTION applies to a commission to promote and encourage conventions, visitors, and tourism established under IC 6-9-35-8, as added by this act.

(b) This SECTION provides the procedure for the transition to a commission with membership appointed under IC 6-9-35-8, as added by this act.

(c) Each member of the commission who was appointed before July 1, 2000, may continue to serve on the commission until the normal expiration of the member's term. However, upon the



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expiration of a member's term, each vacancy shall be filled by appointment as follows:

(1) The first three (3) vacancies for members appointed by the county executive and the vacancy for a member appointed by the municipality in the county in which more than fifty percent (50%) of the revenue was collected under IC 6-9-18 shall be filled by appointment under IC 6-9-35-8(b)(1), as added by this act.

(2) The fourth and fifth vacancies for members appointed by the county executive shall be filled by appointment under IC 6-9-35-8(b)(2), as added by this act.

(3) The vacancy for a member appointed by the largest municipality in the county shall be filled by appointment under IC 6-9-35-8(b)(3), as added by this act.

(d) This SECTION expires December 31, 2003."

Renumber all SECTIONS consecutively.

(Reference is to HB 1067 as printed January 28, 2000.)

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