
SENATE BILL No. 297

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-33.

Synopsis: Hendricks County innkeeper's tax. Provides that Hendricks County may adopt an innkeeper's tax similar to the uniform innkeeper's tax, but also allows Hendricks County to use up to 25% of the tax revenue to promote and encourage industrial and economic development in the county. (The uniform tax does not specify that the tax revenue can be used for this purpose).

Effective: July 1, 2000.

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January 10, 2000, read first time and referred to Committee on Finance.

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

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SENATE BILL No. 297



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 6-9-33 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]:

4 **Chapter 33. Hendricks County Innkeeper's Tax**

5 **Sec. 1. (a) This chapter applies to a county having a population**
6 **of more than seventy-five thousand (75,000) but less than**
7 **seventy-eight thousand (78,000) that adopted an innkeeper's tax**
8 **under IC 6-9-18 before July 1, 2000.**

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, 2000, remain in effect**
15 **and govern the county's innkeeper's tax until amended by the**
16 **county fiscal body under this section.**

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



1 established by the county under IC 6-9-18 before July 1, 2000, shall
2 serve a full term of office. If a vacancy occurs, the appointing
3 authority shall appoint a qualified replacement as provided under
4 this chapter. 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, "executive" has the meaning set
7 forth in IC 36-1-2-5.

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

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

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

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

- 18 (1) hotel;
- 19 (2) motel;
- 20 (3) boat motel;
- 21 (4) inn;
- 22 (5) college or university memorial union;
- 23 (6) college or university residence hall or dormitory; or
- 24 (7) tourist cabin;

25 located in the county.

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

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

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

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

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1 adopted, the tax shall be imposed, paid, and collected in exactly the
 2 same manner as the state gross retail tax is imposed, paid, and
 3 collected under IC 6-2.5.

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

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

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

23 (b) In a county in which a commission has been established
 24 under section 8 of this chapter, the county auditor shall issue a
 25 warrant directing the county treasurer to transfer money from the
 26 convention, visitor, and tourism promotion fund to the
 27 commission's treasurer if the commission submits a written request
 28 for the transfer.

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

32 (1) to promote and encourage conventions, visitors, and
 33 tourism within the county; and

34 (2) to promote and encourage industrial and economic
 35 development within the county. However, the county may not
 36 expend more than twenty-five percent (25%) of the revenues
 37 from the tax imposed under this chapter to promote and
 38 encourage industrial and economic development.

39 Expenditures under this subsection may include, but are not
 40 limited to, expenditures for advertising, promotional activities,
 41 trade shows, special events, and recreation.

42 (d) If before July 1, 1997, a county issues a bond with a pledge



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1 of revenues from the tax imposed under IC 6-9-18-3, the county
2 shall continue to expend money from the fund for that purpose
3 until the bond is paid.

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

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

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

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

15 **If available and willing to serve, at least two (2) of the members**
16 **must be engaged in the business of renting or furnishing rooms,**
17 **lodging, or accommodations (as described in section 6 of this**
18 **chapter). Not more than one (1) member may be affiliated with the**
19 **same business entity. Not more than a simple majority of the**
20 **members may be affiliated with the same political party. Each**
21 **member must reside in the county. The county executive shall**
22 **determine who will make the appointments to the commission.**
23 **However, the executive of the largest municipality in the county**
24 **shall appoint a number of the members of the commission,**
25 **determined by taking the same ratio to the total size of the**
26 **commission (rounded off to the nearest whole number) that the**
27 **population of the largest municipality bears to the total population**
28 **of the county.**

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

36 **(d) Except as provided in subsection (c), all terms of office of**
37 **commission members begin on January 1. Initial appointments**
38 **must be for staggered terms, with subsequent appointments for**
39 **two (2) year terms. A member whose term expires may be**
40 **reappointed to serve another term. If a vacancy occurs, the**
41 **appointing authority shall appoint a qualified person to serve for**
42 **the remainder of the term. If an initial appointment is not made by**

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1 February 1 or a vacancy is not filled within thirty (30) days, the
2 commission shall appoint a member by majority vote.

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

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

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

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

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

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

26 (2) sue and be sued;

27 (3) enter into contracts and agreements;

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

30 (5) receive and approve, alter, or reject requests and
31 proposals for funding by corporations qualified under
32 subdivision (6);

33 (6) after its approval of a proposal, transfer money, quarterly
34 or less frequently, from the fund established under section
35 7(a) of this chapter, or from money transferred from that
36 fund to the commission's treasurer under section 7(b) of this
37 chapter, to an Indiana nonprofit corporation to promote and
38 encourage conventions, visitors, or tourism in the county; and
39 (7) require financial or other reports from a corporation that
40 receives funds under this chapter.

41 (b) All expenses of the commission shall be paid from the fund
42 established under section 7(a) of this chapter or from money



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

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

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

17 (1) the transfer of money to a person or corporation not
18 qualified under law for that transfer; or

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

20 commits a Class D felony.

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

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