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# HOUSE BILL No. 1365

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-9-2.

**Synopsis:** Lake County innkeeper's tax. Provides that the Lake County innkeeper's tax applies to the renting or furnishing of rooms for periods of less than 30 consecutive days by the same party in the same room. Provides that an agent of the county treasurer may exercise certain powers assigned to the county treasurer under the Lake County innkeeper's tax law. Provides that 11.67% of the first \$1,200,000 of revenue received from the Lake County innkeeper's tax that is not transferred to the city of Gary shall be allocated to a local matching grant fund. Specifies that money in the local matching grant fund may be distributed only for major destination events. Deletes provisions distributing a corresponding percentage of the tax to certain municipalities for convention facility marketing, sales, and public relations programs and for tourism and economic development projects. Provides that the Lake County innkeeper's tax revenue transferred to Purdue University-Calumet may be used by the university for education programs (rather than nursing education programs, under current law). Deletes the requirement that the budget of the Lake County convention and visitor bureau (bureau) must be submitted to the department of local government finance and placed on file with the county auditor. Removes requirements that the bureau may use funds under its control only for events in the county.

**Effective:** January 1, 2014.

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January 22, 2013, read first time and referred to Committee on Ways and Means.

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First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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## HOUSE BILL No. 1365



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 6-9-2-1, AS AMENDED BY P.L.172-2011,  
2 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2014]: Sec. 1. (a) A county having a population of more  
4 than four hundred thousand (400,000) but less than seven hundred  
5 thousand (700,000) that establishes a medical center development  
6 agency pursuant to IC 16-23.5-2 may levy each year a tax on every  
7 person engaged in the business of renting or furnishing, for periods of  
8 less than thirty (30) **consecutive** days by the same party in the same  
9 room, any room or rooms, lodgings, or accommodations, in any hotel,  
10 motel, inn, tourist camp, tourist cabin, or any other place in which  
11 rooms, lodgings, or accommodations are regularly furnished for a  
12 consideration.

13 (b) Such tax shall be at a rate of five percent (5%) on the gross retail  
14 income derived therefrom and is in addition to the state gross retail tax  
15 imposed on the retail transaction.

16 (c) The county fiscal body may adopt an ordinance to require that  
17 the tax be reported on forms approved by the county treasurer **or its**



1 **agent** and that the tax shall be paid monthly to the county treasurer **or**  
2 **its agent**. If such an ordinance is adopted, the tax shall be paid to the  
3 county treasurer **or its agent** not more than twenty (20) days after the  
4 end of the month the tax is collected. If such an ordinance is not  
5 adopted, the tax shall be imposed, paid, and collected in exactly the  
6 same manner as the state gross retail tax is imposed, paid, and  
7 collected.

8 (d) All of the provisions of the state gross retail tax (IC 6-2.5)  
9 relating to rights, duties, liabilities, procedures, penalties, definitions,  
10 exemptions, and administration shall be applicable to the imposition  
11 and administration of the tax imposed by this section except to the  
12 extent such provisions are in conflict or inconsistent with the specific  
13 provisions of this chapter or the requirements of the county treasurer  
14 **or its agent**. Specifically and not in limitation of the foregoing  
15 sentence, the terms "person" and "gross retail income" shall have the  
16 same meaning in this section as they have in the state gross retail tax  
17 (IC 6-2.5). If the tax is paid to the department of state revenue, the  
18 returns to be filed for the payment of the tax under this section may be  
19 either a separate return or may be combined with the return filed for the  
20 payment of the state gross retail tax as the department of state revenue  
21 may, by rule, determine.

22 (e) If the tax is paid to the department of state revenue, the amounts  
23 received from the tax shall be paid by the end of the next succeeding  
24 month by the treasurer of state to the county treasurer **or its agent** upon  
25 warrants issued by the auditor of state. The county treasurer **or its**  
26 **agent** shall deposit the revenue received under this chapter as provided  
27 in section 2 of this chapter.

28 SECTION 2. IC 6-9-2-2, AS AMENDED BY P.L.137-2012,  
29 SECTION 110, IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JANUARY 1, 2014]: Sec. 2. (a) The revenue received  
31 by the county treasurer **or its agent** under this chapter shall be  
32 allocated to the Lake County convention and visitor bureau, Indiana  
33 University-Northwest, Purdue University-Calumet, municipal public  
34 safety departments, **and** municipal physical and economic development  
35 divisions **and the cities and towns in the county** as provided in this  
36 section. Subsections (b) through ~~(g)~~ **(f)** do not apply to the distribution  
37 of revenue received under section 1 of this chapter from hotels, motels,  
38 inns, tourist camps, tourist cabins, and other lodgings or  
39 accommodations built or refurbished after June 30, 1993, that are  
40 located in the city of Gary. **The Lake County convention and visitor**  
41 **bureau shall establish a local matching grant fund for purposes of**  
42 **subsection (d).**

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1 (b) The Lake County convention and visitor bureau shall establish  
 2 a convention, tourism, and visitor promotion fund (referred to in this  
 3 chapter as the "promotion fund"). The county treasurer **or its agent**  
 4 shall transfer to the Lake County convention and visitor bureau for  
 5 deposit in the promotion fund thirty-five percent (35%) of the first one  
 6 million two hundred thousand dollars (\$1,200,000) of revenue received  
 7 from the tax imposed under this chapter in each year. The promotion  
 8 fund consists of:

- 9 (1) money in the promotion fund on June 30, 2005;  
 10 (2) revenue deposited in the promotion fund under this subsection  
 11 after June 30, 2005; and  
 12 (3) investment income earned on the promotion fund's assets.

13 Money in the funds established by the bureau may be expended to  
 14 promote and encourage conventions, trade shows, special events,  
 15 recreation, and visitors. Money may be paid from the funds established  
 16 by the bureau, by claim in the same manner as municipalities may pay  
 17 claims under IC 5-11-10-1.6.

18 (c) This subsection applies to the first one million two hundred  
 19 thousand dollars (\$1,200,000) of revenue received from the tax  
 20 imposed under this chapter in each year. During each year, the county  
 21 treasurer **or its agent** shall transfer to Indiana University-Northwest  
 22 forty-four and thirty-three hundredths percent (44.33%) of the revenue  
 23 received under this chapter for that year to be used as follows:

- 24 (1) Seventy-five percent (75%) of the revenue received under this  
 25 subsection may be used only for the university's medical  
 26 education programs.  
 27 (2) Twenty-five percent (25%) of the revenue received under this  
 28 subsection may be used only for the university's allied health  
 29 education programs.

30 (d) This subsection applies to the first one million two hundred  
 31 thousand dollars (\$1,200,000) of revenue received from the tax  
 32 imposed under this chapter in each year. During each year, the county  
 33 treasurer **or its agent** shall allocate ~~among the cities and towns~~  
 34 ~~throughout the county nine percent (9%)~~ **eleven and sixty-seven**  
 35 **hundredths percent (11.67%)** of the revenue received under this  
 36 chapter for that year ~~as follows:~~ **to the local matching grant fund.**  
 37 **The money allocated to the local matching grant fund under this**  
 38 **subsection may be distributed only for major destination events**  
 39 **that generate substantial hotel or restaurant visitation within the**  
 40 **municipality, county, or region hosting such an event or that**  
 41 **otherwise generate substantial positive exposure for the**  
 42 **municipality, county, or region hosting such an event. The**

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1 **convention and visitor bureau shall award grants from the local**  
 2 **matching grant fund based on guidelines established by the bureau.**

3 (1) Ten percent (10%) of the revenue covered by this subsection  
 4 shall be distributed to cities having a population of more than  
 5 eighty thousand (80,000) but less than eighty thousand four  
 6 hundred (80,400):

7 (2) Ten percent (10%) of the revenue covered by this subsection  
 8 shall be distributed to cities having a population of more than  
 9 eighty thousand five hundred (80,500) but less than one hundred  
 10 thousand (100,000):

11 (3) Ten percent (10%) of the revenue covered by this subsection  
 12 shall be distributed to cities having a population of more than  
 13 twenty-nine thousand six hundred (29,600) but less than  
 14 twenty-nine thousand nine hundred (29,900):

15 (4) Seventy percent (70%) of the revenue covered by this  
 16 subsection shall be distributed in equal amounts to each town and  
 17 each city not receiving a distribution under subdivisions (1)  
 18 through (3):

19 The money distributed under this subsection may be used only for  
 20 tourism and economic development projects. The county treasurer shall  
 21 make the distributions on or before December 1 of each year.

22 (e) This subsection applies to the first one million two hundred  
 23 thousand dollars (\$1,200,000) of revenue received from the tax  
 24 imposed under this chapter in each year. During each year, the county  
 25 treasurer **or its agent** shall transfer to Purdue University-Calumet nine  
 26 percent (9%) of the revenue received under this chapter for that year.  
 27 The money received by Purdue University-Calumet may be used by the  
 28 university **only** for nursing education programs.

29 (f) This subsection applies to the first one million two hundred  
 30 thousand dollars (\$1,200,000) of revenue received from the tax  
 31 imposed under this chapter in each year. During each year, the county  
 32 treasurer shall transfer two and sixty-seven hundredths percent (2.67%)  
 33 of the revenue received under this chapter for that year to the following  
 34 cities:

35 (1) Fifty percent (50%) of the revenue covered by this subsection  
 36 shall be transferred to cities having a population of more than  
 37 eighty thousand (80,000) but less than eighty thousand four  
 38 hundred (80,400):

39 (2) Fifty percent (50%) of the revenue covered by this subsection  
 40 shall be transferred to cities having a population of more than  
 41 eighty thousand five hundred (80,500) but less than one hundred  
 42 thousand (100,000):

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1 Money transferred under this subsection may be used only for  
 2 convention facilities located within the city. In addition, the money may  
 3 be used only for facility marketing, sales, and public relations  
 4 programs. Money transferred under this subsection may not be used for  
 5 salaries, facility operating costs, or capital expenditures related to the  
 6 convention facilities. The county treasurer shall make the transfers on  
 7 or before December 1 of each year.

8 (g) (f) This subsection applies to the revenue received from the tax  
 9 imposed under this chapter in each year that exceeds one million two  
 10 hundred thousand dollars (\$1,200,000). During each year, the county  
 11 treasurer **or its agent** shall distribute money in the promotion fund as  
 12 follows:

13 (1) Eighty-five percent (85%) of the revenue covered by this  
 14 subsection shall be deposited in the convention, tourism, and  
 15 visitor promotion fund. The money deposited in the fund under  
 16 this subdivision may be used only for the purposes for which  
 17 other money in the fund may be used.

18 (2) Five percent (5%) of the revenue covered by this subsection  
 19 shall be transferred to Purdue University-Calumet. The money  
 20 received by Purdue University-Calumet under this subdivision  
 21 may be used by the university **only** for **nursing** education  
 22 programs.

23 (3) Five percent (5%) of the revenue covered by this subsection  
 24 shall be transferred to Indiana University-Northwest. The money  
 25 received by Indiana University-Northwest under this subdivision  
 26 may be used only for the university's medical education programs.

27 (4) Five percent (5%) of the revenue covered by this subsection  
 28 shall be transferred to Indiana University-Northwest. The money  
 29 received by Indiana University-Northwest under this subdivision  
 30 may be used only for the university's allied health education  
 31 programs.

32 (h) (g) This subsection applies only to the distribution of revenue  
 33 received from the tax imposed under section 1 of this chapter from  
 34 hotels, motels, inns, tourist camps, tourist cabins, and other lodgings or  
 35 accommodations built or refurbished after June 30, 1993, that are  
 36 located in the city of Gary. During each year, the county treasurer **or its**  
 37 **agent** shall transfer:

38 (1) seventy-five percent (75%) of the revenues under this  
 39 subsection to the department of public safety; and

40 (2) twenty-five percent (25%) of the revenues under this  
 41 subsection to the division of physical and economic development;  
 42 of the city of Gary.



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1           (†) (h) The Lake County convention and visitor bureau shall assist  
2 the county treasurer, as needed, with the calculation of the amounts that  
3 must be deposited and transferred under this section.

4           SECTION 3. IC 6-9-2-4, AS AMENDED BY P.L.172-2011,  
5 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 JANUARY 1, 2014]: Sec. 4. (a) The bureau may:

7           (1) accept and use gifts, grants, and contributions from any public  
8 or private source, under terms and conditions that the bureau  
9 considers necessary and desirable;

10          (2) sue and be sued;

11          (3) enter into contracts and agreements;

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

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

16          (6) after its approval of a proposal, transfer money from any fund  
17 established by the bureau, the promotion fund, or the alternate  
18 revenue fund to any Indiana nonprofit corporation to promote and  
19 encourage conventions, trade shows, visitors, or special events; ~~in~~  
20 ~~the county;~~

21          (7) require financial or other reports from any corporation that  
22 receives funds under this chapter;

23          (8) enter into leases under IC 36-1-10 for the construction,  
24 acquisition, and equipping of a visitor center; and

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

28          (b) All expenses of the bureau shall be paid from funds established  
29 by the bureau. Before December 20 of each year, the bureau shall  
30 prepare a budget for expenditures during the following year. ~~taking into~~  
31 ~~consideration the recommendations made by a corporation qualified~~  
32 ~~under subsection (a)(6): A budget prepared under this section must be~~  
33 ~~submitted to the department of local government finance and placed on~~  
34 ~~file with the county auditor.~~

35          (c) All money in the bureau's funds shall be deposited, held,  
36 secured, invested, and paid in accordance with statutes relating to the  
37 handling of public funds. The handling and expenditure of money in  
38 the bureau's funds are subject to audit and supervision by the state  
39 board of accounts.

40          SECTION 4. IC 6-9-2-4.3, AS AMENDED BY P.L.172-2011,  
41 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JANUARY 1, 2014]: Sec. 4.3. (a) The Lake County convention and

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1 visitor bureau shall establish a convention, tourism, and visitor  
 2 promotion alternate revenue fund (referred to in this chapter as the  
 3 "alternate revenue fund"). The bureau may deposit in the alternate  
 4 revenue fund all money received by the bureau after June 30, 2005, that  
 5 is not required to be deposited in the promotion fund under section 2  
 6 of this chapter or a fund established by the bureau, including  
 7 appropriations, gifts, grants, membership dues, and contributions from  
 8 any public or private source.

9 (b) The bureau may, without appropriation by the county council,  
 10 expend money from the alternate revenue fund to promote and  
 11 encourage conventions, trade shows, visitors, special events, sporting  
 12 events, and exhibitions. ~~in the county.~~ Money may be paid from the  
 13 alternate revenue fund by claim in the same manner as municipalities  
 14 may pay claims under IC 5-11-10-1.6.

15 (c) All money in the alternate revenue fund shall be deposited, held,  
 16 secured, invested, and paid in accordance with statutes relating to the  
 17 handling of public funds. The handling and expenditure of money in  
 18 the alternate revenue fund is subject to audit and supervision by the  
 19 state board of accounts.

20 (d) Money derived from the taxes imposed under IC 4-33-12 and  
 21 IC 4-33-13 may not be transferred to the alternate revenue fund.

22 SECTION 5. IC 6-9-2-4.5, AS AMENDED BY P.L.168-2005,  
 23 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JANUARY 1, 2014]: Sec. 4.5. The bureau may enter into an agreement  
 25 under which amounts deposited in, or to be deposited in, the promotion  
 26 fund or the alternate revenue fund, or both, are pledged to payment of  
 27 obligations, including leases entered into under IC 36-1-10, issued to  
 28 finance the construction, acquisition, and equipping of a visitor center  
 29 to promote and encourage conventions, trade shows, special events,  
 30 recreation, and visitors. ~~within the county.~~

31 SECTION 6. IC 6-9-2-4.7 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 4.7. (a) The  
 33 bureau may issue bonds, enter into leases, or incur other obligations to:

- 34 (1) pay the costs incurred in the financing, construction,  
 35 acquisition, and equipping of a visitor center to promote and  
 36 encourage conventions, trade shows, special events, recreation,  
 37 and visitors; ~~within the county;~~
- 38 (2) reimburse itself or any nonprofit corporation for any money  
 39 advanced to pay those costs; or
- 40 (3) refund bonds issued or other obligations incurred under this  
 41 chapter.

42 (b) Bonds issued or obligations incurred under this section:

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- 1 (1) are payable solely from the money provided in this chapter;
- 2 (2) may, in the discretion of the bureau, be sold at a negotiated
- 3 sale or under IC 5-1-11 and IC 5-3-1; and
- 4 (3) must be authorized by a resolution of the bureau.
- 5 (c) Leases entered into under this section:
- 6 (1) may be for a term not to exceed fifty (50) years;
- 7 (2) may provide for payments from revenues under this chapter,
- 8 any other revenues available to the bureau, or any combination of
- 9 these sources;
- 10 (3) may provide that payments by the bureau to the lessor are
- 11 required only to the extent and only for the time that the lessor is
- 12 able to provide the leased facilities in accordance with the lease;
- 13 (4) must be based upon the value of the facilities leased; and
- 14 (5) may not create a debt of the county for purposes of the
- 15 Constitution of the State of Indiana.
- 16 (d) A lease may be entered into by the bureau only after a public
- 17 hearing:
- 18 (1) for which notice has been given in accordance with IC 5-3-1;
- 19 and
- 20 (2) at which all interested parties are provided the opportunity to
- 21 be heard.
- 22 (e) After the public hearing, the bureau may approve the execution
- 23 of the lease only if the bureau finds that the services to be provided
- 24 throughout the life of the lease will serve the public purposes for which
- 25 the bureau was created and that the execution of the lease is in the best
- 26 interests of the residents of the county.
- 27 (f) Upon execution of a lease under this section, the bureau shall
- 28 publish notice of the execution of the lease in accordance with
- 29 IC 5-3-1.
- 30 (g) An action to contest the validity of bonds issued or leases
- 31 entered into under this section must be brought within thirty (30) days
- 32 after the adoption of a bond resolution or notice of the execution and
- 33 approval of the lease, as the case may be.
- 34 SECTION 7. IC 6-9-2-5.5 IS AMENDED TO READ AS
- 35 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 5.5. The financing
- 36 of the construction, acquisition, and equipping of a visitor center to
- 37 promote and encourage conventions, trade shows, special events,
- 38 recreation, and visitors within the **county region** serves a public
- 39 purpose and is of benefit to the general welfare of the county by
- 40 encouraging investment, job creation and retention, and economic
- 41 growth and diversity.
- 42 SECTION 8. IC 6-9-2-9, AS AMENDED BY P.L.172-2011,

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1 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JANUARY 1, 2014]: Sec. 9. (a) The legislative body of a county that  
 3 imposes a tax under section 1 of this chapter shall annually prepare a  
 4 report concerning the disbursement and use of the money collected  
 5 under this chapter during the preceding calendar year. The report shall  
 6 be prepared before April 15 each year and shall be made available to  
 7 the public.

8 (b) If in any year an entity receiving money under this chapter fails  
 9 to provide the county legislative body with sufficient information, as  
 10 reasonably requested by the county legislative body:

11 (1) for the county legislative body to comply with this section;  
 12 and

13 (2) before the date specified by the county legislative body;

14 the county legislative body may direct the county treasurer **or its agent**  
 15 by resolution to stop deposits and transfers under this chapter to the  
 16 entity. When an entity provides the information that is the subject of  
 17 the resolution, the county legislative body shall as soon as practicable  
 18 direct the county treasurer **or its agent**, by resolution, to resume  
 19 making deposits and transfers to the entity, including any deposits and  
 20 transfers that would otherwise have been made to the entity during the  
 21 time that deposits and transfers were stopped under this subsection. A  
 22 copy of a resolution adopted under this subsection must be distributed  
 23 to the county treasurer **or its agent** and the entity that is the subject of  
 24 the resolution within ten (10) business days after the resolution is  
 25 adopted. The county treasurer **or its agent** shall comply with a  
 26 resolution adopted under this subsection.

27 SECTION 9. IC 6-9-2-10, AS ADDED BY P.L.168-2005,  
 28 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JANUARY 1, 2014]: Sec. 10. Employees of the convention and visitor  
 30 bureau created by section 3 of this chapter may participate in the group  
 31 health insurance, disability insurance, and life insurance programs  
 32 established:

33 (1) by the county government of the county described in section  
 34 1 of this chapter; and

35 (2) for the employees of the convention and visitor bureau **who**  
 36 **are not covered by another health insurance program.**

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