

HOUSE BILL No. 1243

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-2.5.

Synopsis: Vanderburgh County innkeeper's tax. Renames the convention center operating fund established under the Vanderburgh County innkeeper's statute to the convention center operating, capital improvement, and financial incentive fund (fund). Provides that expenditures from the fund for a convention center in Vanderburgh County may only be used for operating expenses, capital improvements, and financial incentives to attract new businesses. Changes the date on which innkeeper's tax revenue deposited in the fund decreases from the amount equal to revenue generated by a 2% innkeeper's tax rate to the amount equal to revenue generated by a 1% innkeeper's tax rate.

Effective: July 1, 2019.

Sullivan

January 10, 2019, read first time and referred to Committee on Ways and Means.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1243

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 6-9-2.5-1, AS AMENDED BY P.L.119-2012,
2 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 1. This chapter applies to a **Vanderburgh** County.
4 ~~having a population of more than one hundred seventy-five thousand~~
5 ~~(175,000) but less than one hundred eighty-five thousand (185,000).~~
6 SECTION 2. IC 6-9-2.5-1.1 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2019]: **Sec. 1.1. The following definitions apply throughout this**
9 **chapter:**
10 (1) "County" refers to the county specified in section 1 of this
11 **chapter.**
12 (2) "New business" means a business entity, organization, or
13 **association that:**
14 (A) reasonably establishes an intent to have at least two
15 **hundred (200) patrons to rent rooms, lodgings, or**
16 **accommodations for periods of less than thirty (30) days in**
17 **any commercial hotel, motel, inn, tourist camp, or tourist**



- 1 cabin that is located in the county; and
 2 **(B) has not received a financial incentive from the county**
 3 **during the immediately preceding five (5) calendar years.**
 4 **(3) "Operating expenses" means expenses incurred in the**
 5 **ordinary course of business operations. The term does not**
 6 **include expenditures:**
 7 **(A) for constructing, repairing, or maintaining public**
 8 **streets or sidewalks; or**
 9 **(B) for a person (as defined in IC 6-2.5-1-3) or a**
 10 **governmental entity to provide security for a convention**
 11 **held at a convention center in the county.**

12 SECTION 3. IC 6-9-2.5-7.5, AS AMENDED BY P.L.190-2014,
 13 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2019]: Sec. 7.5. (a) The county treasurer shall establish a
 15 tourism capital improvement fund.

16 (b) The county treasurer shall deposit money in the tourism capital
 17 improvement fund as follows:

18 (1) Before January 1, ~~2020~~, **2026**, the county treasurer shall
 19 deposit in the tourism capital improvement fund the amount of
 20 money received under section 6 of this chapter that is generated
 21 by a three and one-half percent (3.5%) rate.

22 (2) After December 31, ~~2019~~, **2025**, the county treasurer shall
 23 deposit in the tourism capital improvement fund the amount of
 24 money received under section 6 of this chapter that is generated
 25 by a four and one-half percent (4.5%) rate.

26 (c) The commission may transfer money in the tourism capital
 27 improvement fund to:

28 (1) the county government, a city government, or a separate body
 29 corporate and politic in a county described in section 1 of this
 30 chapter; or

31 (2) any Indiana nonprofit corporation;

32 for the purpose of making capital improvements in the county that
 33 promote conventions, tourism, or recreation. The commission may
 34 transfer money under this section only after approving the transfer.
 35 Transfers shall be made quarterly or less frequently under this section.

36 SECTION 4. IC 6-9-2.5-7.7, AS AMENDED BY P.L.190-2014,
 37 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2019]: Sec. 7.7. **(a) As used in this section, "fund" refers to**
 39 **the convention center operating, capital improvement, and**
 40 **financial incentive fund established under subsection (b).**

41 ~~(a)~~ **(b)** The county treasurer shall establish a convention center
 42 operating, **capital improvement, and financial incentive** fund.



1 ~~(b)~~ **(c)** Before January 1, ~~2020~~, **2026**, the county treasurer shall
 2 deposit in the ~~convention center operating~~ fund the amount of money
 3 received under section 6 of this chapter that is generated by a two
 4 percent (2%) rate. ~~Money in the fund must be expended for the~~
 5 ~~operating expenses of a convention center.~~

6 ~~(c)~~ **(d)** After December 31, ~~2019~~, **2025**, the county treasurer shall
 7 deposit in the ~~convention center operating~~ fund the amount of money
 8 received under section 6 of this chapter that is generated by a one
 9 percent (1%) rate. ~~Money in the fund must be expended for the~~
 10 ~~operating expenses of a convention center with the unused balance~~
 11 ~~transferred on January 1 of each year to the tourism capital~~
 12 ~~improvement fund.~~

13 **(e) Money in the fund may be expended only for the following:**

14 **(1) Operating expenses of a convention center located in the**
 15 **county.**

16 **(2) Capital improvements to a convention center located in the**
 17 **county.**

18 **(3) Financial incentives to attract, promote, or encourage new**
 19 **business conventions, trade shows, or special events held at a**
 20 **convention center located in the county.**

21 **(f) A financial incentive described in subsection (e)(3) may not**
 22 **be distributed to a new business for at least thirty (30) days after**
 23 **the conclusion of a convention, trade show, or special event that is**
 24 **held by the new business at a convention center located in the**
 25 **county.**

