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 2020 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 381

AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-9-7-7, AS AMENDED BY P.L.189-2018, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 7. (a) The county treasurer shall establish an innkeeper's tax fund. The treasurer shall deposit in that fund all money received under section 6 of this chapter that is attributable to an innkeeper's tax rate that is not more than five percent (5%).

(b) Money in the innkeeper's tax fund shall be distributed as follows:

~~(1) Thirty percent (30%) shall be distributed as follows:~~

~~(A) Before July 1, 2015, and after June 30, 2017, to the department of natural resources for the development of projects in the state park on the county's largest river, including its tributaries.~~

~~(B) For the period July 1, 2015, through June 30, 2017, to the treasurer of state for deposit in the state general fund.~~

~~(2)~~ **(1)** Forty percent (40%) shall be distributed to the commission to carry out its purposes, including making any distributions or payments to the Lafayette - West Lafayette Convention and Visitors Bureau, Inc.

~~(3)~~ **(2)** Ten percent (10%) shall be distributed to a community development corporation that serves a metropolitan area in the county that includes:

(A) a city having a population of more than sixty-five thousand (65,000) but less than seventy thousand (70,000); and

(B) a city having a population of more than twenty-nine thousand five hundred (29,500) but less than twenty-nine thousand six hundred (29,600);

for the community development corporation's use in tourism, recreation, and economic development activities.

~~(4)~~ **(3)** Ten percent (10%) shall be distributed to Historic Prophetstown to be used by Historic Prophetstown for carrying out its purposes.

~~(5)~~ **(4)** Ten percent (10%) shall be distributed to the Wabash River Enhancement Corporation to assist the Wabash River Enhancement Corporation in carrying out its purposes.

(5) Ten percent (10%) shall be distributed to the department of natural resources for the development of projects in the state park on the county's largest river, including its tributaries.

(6) Twenty percent (20%) shall be distributed as determined by the county fiscal body.

(c) An advisory commission consisting of the following members is established:

(1) The director of the department of natural resources or the director's designee.

(2) The public finance director or the public finance director's designee.

(3) A member appointed by the Native American Indian affairs commission.

(4) A member appointed by Historic Prophetstown.

(5) A member appointed by the community development corporation described in subsection ~~(b)(3).~~ **(b)(2).**

(6) A member appointed by the Wabash River Enhancement Corporation.

(7) A member appointed by the commission.

(8) A member appointed by the county fiscal body.

(9) A member appointed by the town board of the town of Battleground.

(10) A member appointed by the mayor of the city of Lafayette.

(11) A member appointed by the mayor of the city of West Lafayette.

(d) The following apply to the advisory commission:

(1) The governor shall appoint a member of the advisory commission as chairman of the advisory commission.

(2) Six (6) members of the advisory commission constitute a quorum. The affirmative votes of at least six (6) advisory commission members are necessary for the advisory commission to take official action other than to adjourn or to meet to hear reports or testimony.

(3) The advisory commission shall make recommendations concerning the use of any proceeds of bonds issued to finance the development of Prophetstown State Park.

(4) Members of the advisory commission who are state employees:

(A) are not entitled to any salary per diem; and

(B) are entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and to reimbursement for other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(e) The Indiana finance authority may issue bonds for the development of Prophetstown State Park under IC 5-1.2-6.

SECTION 2. IC 6-9-18-3, AS AMENDED BY P.L.290-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 3. (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 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:

(1) the rate of five percent (5%) in a county other than a county subject to subdivision (2) **or (3);** ~~or~~

(2) after June 30, 2019, the rate of eight percent (8%) in Howard County; **or**

(3) after June 30, 2021, the rate of nine percent (9%) in Daviess County.

The tax is imposed 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 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 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 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.

SECTION 3. IC 6-9-18-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (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 4(a) of this chapter, or from money transferred from that fund to the commission's treasurer under section 4(b) of this chapter, to any Indiana not-for-profit corporation to promote and encourage conventions, visitors, or tourism in the county; and

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

(b) This subsection applies only to Boone County. In addition to the powers of the commission under subsection (a), and subject to adoption of a resolution by the county fiscal body under section 6.5 of this chapter, the commission may enter into an agreement under which amounts deposited in, or to be deposited in, the fund established under section 4(a) of this chapter are pledged toward the payment of obligations (including bonds and leases) issued or entered into by any political subdivision located in the county to finance the construction, acquisition, enlargement, and equipping of a sports and recreation facility to promote and encourage conventions, trade shows, tourism, visitors, or special events within the county.

~~(b)~~ **(c)** All expenses of the commission shall be paid from the fund established under section 4(a) of this chapter or from money transferred from that fund to the commission's treasurer under section 4(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. **Except for payments made under an agreement that is authorized in a resolution adopted by the county fiscal body under section 6.5 of this chapter,** 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.

SECTION 4. IC 6-9-18-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: **Sec. 6.5. (a) This section applies only to Boone County.**

(b) The county fiscal body may adopt a resolution authorizing an agreement described in section (6)(b) of this chapter that pledges all or part of the amounts received from the tax imposed under section 3 of this chapter toward the payment of obligations of a political subdivision located in the county only after a public hearing:

(1) for which notice has been given in accordance with IC 5-3-1; and

(2) at which all interested parties are provided the opportunity to be heard.

Upon adoption of a resolution under this subsection, the county fiscal body shall publish notice of the adoption of the resolution in accordance with IC 5-3-1. An action to contest the validity of the resolution or agreement described in section (6)(b) of this chapter must be brought not later than thirty (30) days after notice of the adoption of the resolution.

(c) With respect to obligations to which amounts received from a tax imposed under section 3 of this chapter have been pledged in an agreement described in section (6)(b) of this chapter, the general assembly covenants with the commission and the purchasers or owners of the obligations that this chapter will not be repealed or amended in any manner that will adversely affect the collection of the tax imposed under section 3 of this chapter, or the money deposited in the fund established under section 4(a) of this chapter, as long as the obligations are unpaid.

SECTION 5. IC 6-9-29-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 1.5. (a) Unless otherwise provided in this article, a county fiscal body that adopts an ordinance to impose, rescind, or increase or decrease the rate of a county innkeeper's tax, **or to make a change between collection of the tax by the county treasurer or the department of state revenue,** must specify the effective date of the ordinance to provide that the ordinance takes effect:

(1) at least thirty (30) days after the adoption of the ordinance; and

(2) on the first day of a month.

(b) If a county fiscal body adopts an ordinance described in subsection (a), it must immediately send a certified copy of the ordinance to the commissioner of the department of state revenue. **Notwithstanding subsection (a), if the department of state revenue collects the revenue from the county innkeeper's tax, the department of state revenue shall begin collecting the tax at the rate provided in the ordinance on the later of:**

(1) the first day of the month that is not less than thirty (30) days after the ordinance is sent to the commissioner of the department of state revenue; or

(2) the effective date specified in the ordinance.

If an ordinance does not specify an effective date, the ordinance shall be considered effective on the earliest date allowable under this section.

SECTION 6. **An emergency is declared for this act.**

President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: ________________ Time: ________________