



Reprinted
January 23, 2026

SENATE BILL No. 242

DIGEST OF SB 242 (Updated January 22, 2026 3:32 pm - DI 120)

Citations Affected: IC 6-9; IC 35-52.

Synopsis: Innkeeper's tax. Authorizes the city of New Haven to impose an innkeeper's tax at a flat rate that does not exceed \$5 per night. Amends provisions regarding distribution and uses of the Hamilton County innkeeper's tax. Makes corresponding changes to statutes concerning innkeeper's tax administration.

Effective: July 1, 2026.

Holdman, Baldwin, Ford J.D.

January 8, 2026, read first time and referred to Committee on Tax and Fiscal Policy.
January 20, 2026, amended, reported favorably — Do Pass.
January 22, 2026, read second time, amended, ordered engrossed.

SB 242—LS 7075/DI 120



Reprinted
January 23, 2026

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

SENATE BILL No. 242

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 6-9-29-1 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2026]: Sec. 1. This chapter applies to all
3 counties **and cities** imposing an innkeeper's tax under this article.

4 SECTION 2. IC 6-9-29-1.5, AS AMENDED BY P.L.137-2022,
5 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 1.5. (a) Unless otherwise provided in this article,
7 a county fiscal body **or a city fiscal body** that adopts an ordinance to
8 impose, rescind, or increase or decrease the rate of a county innkeeper's
9 tax **or a city innkeeper's tax**, or to make a change between collection
10 of the tax by the county treasurer **or the city fiscal officer**, or the
11 department of state revenue, must specify the effective date of the
12 ordinance to provide that the ordinance takes effect:

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

15 (2) on the first day of a month.

16 (b) If a county fiscal body **or a city fiscal body** adopts an ordinance
17 described in subsection (a), it must immediately send a certified copy

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1 of the ordinance to the commissioner of the department of state
2 revenue. Notwithstanding subsection (a), if the department of state
3 revenue collects the revenue from the county innkeeper's tax **or the**
4 **city innkeeper's tax**, the department of state revenue shall begin
5 collecting the tax as provided in the ordinance for periods beginning on
6 or after the later of:

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

10 (2) the effective date specified in the ordinance.

11 The department shall collect the tax at the rate in the ordinance unless
12 the rate is not authorized under this article.

13 (c) If an ordinance does not specify an effective date, the ordinance
14 shall be considered effective on the earliest date allowable under this
15 section.

16 SECTION 3. IC 6-9-29-4 IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2026]: Sec. 4. Upon a request by a county
18 auditor or treasurer, **or a city fiscal officer**, the department of state
19 revenue shall provide summary data regarding innkeeper's tax
20 collections for the county **or the city**. This data may not include any
21 confidential information. The department shall provide the summary
22 data within ten (10) business days after the request is made.

23 SECTION 4. IC 6-9-56-1, AS ADDED BY P.L.236-2023,
24 SECTION 121, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) This chapter applies to
26 Hamilton County, if the county had adopted an innkeeper's tax under
27 IC 6-9-18 before July 1, 2023.

28 (b) The:

29 (1) convention, visitor, and tourism promotion fund (**before its**
30 **repeal**);

31 (2) convention and visitor commission;

32 (3) innkeeper's tax rate; and

33 (4) tax collection procedures;

34 established under IC 6-9-18 before July 1, 2023, remain in effect and
35 govern the county's innkeeper's tax until amended under this chapter.

36 (c) A member of the convention and visitor commission established
37 under IC 6-9-18 before July 1, 2023, shall serve a full term of office. If
38 a vacancy occurs, the appointing authority shall appoint a qualified
39 replacement as provided under this chapter. The appointing authority
40 shall make other subsequent appointments to the commission as
41 provided under this chapter.

42 SECTION 5. IC 6-9-56-4, AS ADDED BY P.L.236-2023,



1 SECTION 121, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) If a tax is imposed under
3 section 3 of this chapter, the county treasurer shall establish the
4 following funds:

5 (1) A convention, visitor, and tourism promotion fund (**before its**
6 **repeal**).

7 **(2) A convention, visitor, tourism promotion and capital fund.**

8 **(2) A municipal tourism capital fund**, if the county fiscal body
9 adopts an ordinance to increase the tax rate under section 3 of this
10 chapter and both the county fiscal body and the county executive
11 adopt ordinances approving the establishment of a tourism capital
12 fund.

13 The county treasurer shall deposit in each fund all amounts the county
14 treasurer receives under section 3 of this chapter and in accordance
15 with the allocations required by sections **77.5** and **88.5** of this chapter.

16 (b) The county auditor shall issue a warrant directing the county
17 treasurer to transfer money from the convention, visitor, **and** tourism
18 promotion **and capital** fund and **municipal** tourism capital fund to the
19 commission's treasurer if the commission submits a written request for
20 the transfer.

21 (c) Money in a convention, visitor, **and** tourism promotion **and**
22 **capital** fund, or money transferred from such a fund under subsection
23 (b), may be expended only **for the following purposes**:

24 (1) To promote and encourage conventions, visitors, and tourism
25 within the county. Expenditures under this ~~subsection subdivision~~
26 may include expenditures for advertising, promotional activities,
27 trade shows, special events, and recreation.

28 (2) **For infrastructure projects that improve or benefit the**
29 **tourism economy. Expenditures under this subdivision may**
30 **include acquisition, construction, alteration, improvements,**
31 **or installation costs of any existing tangible property or**
32 **tangible property that is to be constructed. Expenditures**
33 **under this subdivision may include fees for professional**
34 **services such as architectural, building consulting or**
35 **planning, and infrastructure feasibility.**

36 (d) Money in a **municipal** tourism capital fund, or money
37 transferred from such a fund under subsection (b), may be expended on
38 infrastructure projects that improve or benefit the tourism economy.
39 Expenditures may include acquisition, construction, alteration,
40 improvements, or installation costs of any existing tangible property or
41 tangible property that is to be constructed. Expenditures may include
42 fees for professional services such as architectural, building consulting



1 or planning, and infrastructure feasibility.

2 SECTION 6. IC 6-9-56-5, AS ADDED BY P.L.236-2023,
3 SECTION 121, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The county executive shall
5 create a commission to promote the development and growth of the
6 convention, visitor, and tourism industry in the county.

7 (b) The county executive shall determine the number of members,
8 which must be an odd number and may not exceed fifteen (15)
9 members, to be appointed to the commission. A simple majority of the
10 members must **not** represent the hospitality industry or be:

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

13 A member appointed to the commission under subdivision (1) or (2)
14 need not be a resident of the county if the member is an owner or an
15 executive level employee of a convention, visitor, or tourism business
16 that is located within the county. However, the member must be a
17 resident of Indiana. If available and willing to serve, at least two (2) of
18 the members must be engaged in the business of renting or furnishing
19 rooms, lodging, or accommodations (as described in section 3 of this
20 chapter). Not more than one (1) member may be affiliated with the
21 same business entity. Except as otherwise provided in this subsection,
22 each member must reside in the county. The county executive shall
23 also determine who will make the appointments to the commission.

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

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

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

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

41 (g) The commission shall meet after January 1 each year for the
42 purpose of organization. It shall elect one (1) of its members president,



1 another vice president, another secretary, and another treasurer. The
2 members elected to those offices shall perform the duties pertaining to
3 the offices. The first officers chosen shall serve from the date of their
4 election until their successors are elected and qualified. A majority of
5 the commission constitutes a quorum, and the concurrence of a
6 majority of the commission is necessary to authorize any action.

7 SECTION 7. IC 6-9-56-7 IS REPEALED [EFFECTIVE JULY 1,
8 2026]. Sec. 7. (a) The county treasurer shall deposit in the convention,
9 visitor, and tourism promotion fund the amount of money received
10 under section 3 of this chapter that is not more than five percent (5%).

11 (b) Money in the convention, visitor, and tourism promotion fund
12 shall be expended only as provided in this chapter.

13 (c) The commission may transfer money in the convention, visitor,
14 and tourism promotion fund to any Indiana nonprofit corporation for
15 the purpose of promotion and encouragement in the county of
16 conventions, trade shows, visitors, or special events. The commission
17 may transfer money under this section only after approving the transfer.
18 The commission may transfer money under this subsection on a
19 monthly basis or at another frequency as determined by the
20 commission.

21 SECTION 8. IC 6-9-56-7.5 IS ADDED TO THE INDIANA CODE
22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
23 1, 2026]: Sec. 7.5. (a) For purposes of this section, "fund" refers to
24 the convention, visitor, tourism promotion and capital fund
25 established under section 4(a)(2) of this chapter.

26 (b) The county treasurer shall deposit in the fund the amount of
27 money received under section 3 of this chapter that is not more
28 than five percent (5%).

29 (c) Money in the fund shall be expended only as provided in
30 section 4(c) of this chapter.

31 (d) The commission may transfer money in the fund to any
32 Indiana nonprofit corporation for the purpose of promotion and
33 encouragement in the county of conventions, trade shows, visitors,
34 or special events. The commission may transfer money under this
35 subsection only after approving the transfer. The commission may
36 transfer money under this subsection on a monthly basis or at
37 another frequency as determined by the commission.

38 (e) The commission must approve any transfer of money from
39 the fund and may transfer money from the fund to support capital
40 projects in the county that promote long term tourism, convention,
41 or recreation projects proposed by any of the following:

42 (1) The county government.



(2) A separate body corporate and politic in Hamilton County.

(3) Any Indiana nonprofit corporation in Hamilton County.

The commission may transfer money under this subsection on a monthly basis or at another frequency as determined by the commission.

(f) The commission may also review and approve proposals submitted by applicants that seek money from the fund with the purpose and view of enhancing or providing support for capital projects that promote long term tourism, convention, or other economic development related to recreation. Funding available under this subsection shall be made available on an annual basis. In determining whether to provide funding to a particular capital project under this subsection, the commission may use the following factors as a guide for capital project funding:

(1) The proposed capital project is believed to be economically sound to the Hamilton County tourism, convention, or recreation economy and is also believed to be beneficial to:

- (A) the general population of Hamilton County; or
- (B) a particular location in Hamilton County.

(2) The proposed capital project provides for reasonably adequate public assembly, gathering, or entertainment space and is integrally related to enhancing the tourism, convention, or recreation opportunities in Hamilton County or a particular location in Hamilton County.

(3) The commission makes a reasonable effort to assess whether a proposed capital project aligns with the purpose of the commission and has a direct, indirect, or supportive relationship to the mission and promotional efforts of the commission as established and funded by the fund.

Any remaining funds collected that are not awarded during an application period revert to the fund and may be used for distribution in a subsequent application period.

(g) An applicant that receives a grant of money from the fund under subsection (f):

(1) must agree to provide to the commission proof of project completion, including proof that the project was completed through the use of the grant money; and

(2) may be subject to annual financial reporting and audit.

SECTION 9. IC 6-9-56-8 IS REPEALED [EFFECTIVE JULY 1, 2026]. See: 8: (a) The county treasurer shall deposit in the tourism capital fund the amount of money received under section 3 of this chapter that exceeds five percent (5%). Money deposited in the tourism



1 capital fund shall be transferred or expended only as provided in this
2 section.

3 (b) The commission must approve any transfer of money from the
4 tourism capital fund and may transfer money from the tourism capital
5 fund to support capital projects in the county that promote long term
6 tourism, convention, or recreation projects proposed by any of the
7 following:

8 (1) The county government.

9 (2) A city government.

10 (3) A separate body corporate and politic in Hamilton County.

11 (4) Any Indiana nonprofit corporation in Hamilton County.

12 The commission may transfer money under this subsection on a
13 monthly basis or at another frequency as determined by the
14 commission.

15 (c) The commission may also review and approve proposals
16 submitted by applicants that seek money from the tourism capital fund
17 with the purpose and view of enhancing or providing support for
18 capital projects that promote long term tourism, convention, or other
19 economic development related to recreation. Funding available under
20 this subsection shall be made available on an annual basis. In
21 determining whether to provide funding to a particular capital project
22 under this subsection, the commission may use the following factors as
23 a guide for capital project funding:

24 (1) The proposed capital project is believed to be economically
25 sound to the Hamilton County tourism, convention, or recreation
26 economy and is also believed to be beneficial to:

27 (A) the general population of Hamilton County; or

28 (B) a particular location in Hamilton County.

29 (2) The proposed capital project provides for reasonably adequate
30 public assembly, gathering, or entertainment space and is
31 integrally related to enhancing the tourism, convention, or
32 recreation opportunities in Hamilton County or a particular
33 location in Hamilton County.

34 (3) The commission makes a reasonable effort to assess whether
35 a proposed capital project aligns with the purpose of the
36 commission and has a direct, indirect, or supportive relationship
37 to the mission and promotional efforts of the commission as
38 established and funded by the convention, visitor, and tourism
39 promotion fund.

40 A capital project proposed by an applicant that does not meet at least
41 one (1) of the criteria set forth in this subsection will not be funded;
42 and any remaining funds collected revert to the tourism capital fund for



1 distribution by the commission on projects within Hamilton County.

2 (d) An applicant that receives a grant of money from the tourism
3 capital fund under subsection (c):

4 (1) must agree to provide to the commission proof of project
5 completion; including proof that the project was completed
6 through the use of the grant money; and

7 (2) may be subject to annual financial reporting and audit.

8 SECTION 10. IC 6-9-56-8.5 IS ADDED TO THE INDIANA CODE
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
10 1, 2026]: Sec. 8.5. (a) The county treasurer shall transfer the
11 amount of money received under section 3(c)(2) of this chapter that
12 is generated by a rate that exceeds five percent (5%) to the fiscal
13 officer of each of the following cities with each city receiving an
14 equal twenty-five percent (25%) share of the total amount
15 collected:

16 (1) Noblesville.

17 (2) Carmel.

18 (3) Fishers.

19 (4) Westfield.

20 (b) The fiscal officer of each city under subsection (a) shall
21 establish a municipal tourism capital fund. The fiscal officer shall
22 deposit in the fund all money received by the city under this
23 section. The city fiscal body shall administer the fund. The city may
24 not establish a tourism board or similar entity for any purposes of
25 the fund and the city fiscal body shall have sole authority regarding
26 the use of money in the fund as set forth under subsection (c).

27 (c) Money in the fund may be used only for capital projects for
28 tourism related purposes as determined by the city fiscal body. The
29 city fiscal body may issue bonds, enter into leases, or incur other
30 obligations for the purposes of this subsection.

31 (d) Money transferred to a city under subsection (a) shall not be
32 used by the city for tourism marketing, tourism promotion, or
33 tourism planning purposes.

34 SECTION 11. IC 6-9-63.5 IS ADDED TO THE INDIANA CODE
35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]:

37 **Chapter 63.5. New Haven Innkeeper's Tax**

38 **Sec. 1. This chapter applies to the city of New Haven.**

39 **Sec. 2. The following definitions apply throughout this chapter:**

40 (1) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

41 (2) "Person" has the meaning set forth in IC 6-2.5-1-3.

42 **Sec. 3. (a) Subject to section 7 of this chapter, the fiscal body of**



1 **the city may levy a tax on every person engaged in the business of**
2 **renting or furnishing, for periods of less than thirty (30) days, any**
3 **room or rooms, lodgings, or accommodations in any:**

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

11 **located in the city.**

12 **(b) The tax does not apply to a transaction in which:**

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

19 **(c) The tax must be imposed at a flat rate amount per night and**
20 **may not exceed the rate of five dollars (\$5) per night. The tax is in**
21 **addition to:**

22 (1) the state gross retail tax imposed under IC 6-2.5; and
23 (2) a county innkeeper's tax imposed in the county in which
24 the city is located, if any.

25 **(d) The tax shall be imposed, paid, and collected in exactly the**
26 **same manner as the state gross retail tax is imposed, paid, and**
27 **collected under IC 6-2.5.**

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

38 **(f) The amounts received from the tax imposed under this**
39 **section shall be paid monthly by the treasurer of state to the fiscal**
40 **officer of the city upon warrants issued by the state comptroller.**

41 **Sec. 4. (a) If a tax is imposed under section 3 of this chapter, the**
42 **city fiscal officer shall establish a convention, visitor, and tourism**



1 **promotion fund. The city fiscal officer shall deposit into the fund**
2 **all amounts received from a tax imposed under section 3 of this**
3 **chapter.**

4 **(b) Money in a convention, visitor, and tourism promotion fund**
5 **may be expended, after appropriation by the city fiscal body, only**
6 **for the following purposes:**

7 **(1) To contract with the convention and visitor bureau in the**
8 **county referenced in IC 6-9-9-3 to promote and encourage**
9 **conventions, visitors, and tourism within the city, including**
10 **expenditures for advertising, promotional activities, trade**
11 **shows, special events, and recreation.**

12 **(2) To create new parks and amenities, and to expand and**
13 **enhance existing parks and amenities.**

14 **(3) To pay the costs of city services related to conventions,**
15 **trade shows, and other special events. However, money may**
16 **not be used for salaries or operating expenses related to an**
17 **event.**

18 **Sec. 5. All money deposited in the convention, visitor, and**
19 **tourism promotion fund shall be deposited, held, secured, invested,**
20 **and paid in accordance with statutes relating to the handling of**
21 **public funds. The handling and expenditure of money deposited in**
22 **the convention, visitor, and tourism promotion fund is subject to**
23 **audit and supervision by the state board of accounts.**

24 **Sec. 6. (a) A person who knowingly:**

25 **(1) approves the transfer of money to any person or**
26 **corporation not qualified under law for that transfer; or**

27 **(2) approves a transfer for a purpose not permitted under**
28 **law;**

29 **commits a Level 6 felony.**

30 **(b) A person who receives a transfer of money under this**
31 **chapter and knowingly uses that money for any purpose not**
32 **permitted under this chapter commits a Level 6 felony.**

33 **Sec. 7. A tax imposed by a city under this chapter terminates on**
34 **January 1 of the calendar year that begins five (5) years after the**
35 **effective date specified in the ordinance.**

36 **SECTION 12. IC 35-52-6-85.2 IS ADDED TO THE INDIANA**
37 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
38 **[EFFECTIVE JULY 1, 2026]: Sec. 85.2. IC 6-9-63.5-6 defines crimes**
39 **concerning innkeeper's taxes.**



COMMITTEE REPORT

Mr. President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 242, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the amendment AM024202 adopted by the Senate Tax and Fiscal Policy Committee on January 13, 2026.

Page 2, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 4. IC 6-9-45.5-13 IS REPEALED [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]. Sec. 13. (a) As used in this section, "another food and beverage tax" refers to an excise tax that is imposed under any law other than this chapter and that is levied in all or any part of Orange County on a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location, or on equipment, provided by a retail merchant;
- (2) in the area in which the food and beverage tax is imposed; and
- (3) by a retail merchant for consideration.

(b) Notwithstanding any other law, another food and beverage tax does not apply to transactions described in section 9 of this chapter".

Page 2, delete lines 23 through 42.

Delete page 3.

Page 4, delete lines 1 through 23, begin a new paragraph and insert:

"SECTION 1. IC 6-9-56-4, AS ADDED BY P.L.236-2023, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) If a tax is imposed under section 3 of this chapter, the county treasurer shall establish the following funds:

- (1) A convention, visitor, and tourism promotion fund.
- (2) A tourism capital fund, if the county fiscal body adopts an ordinance to increase the tax rate under section 3 of this chapter and both the county fiscal body and the county executive adopt ordinances approving the establishment of a tourism capital fund.

The county treasurer shall deposit in each fund all amounts the county treasurer receives under section 3 of this chapter and in accordance with the allocations required by sections 7 and 8.5 of this chapter.

(b) The county auditor shall issue a warrant directing the county treasurer to transfer money from the convention, visitor, and tourism promotion fund and tourism capital 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 expenditures for advertising, promotional activities, trade shows, special events, and recreation.

(d) Money in a tourism capital fund, or money transferred from such a fund under subsection (b), may be expended on infrastructure projects that improve or benefit the tourism economy. Expenditures may include acquisition, construction, alteration, improvements, or installation costs of any existing tangible property or tangible property that is to be constructed. Expenditures may include fees for professional services such as architectural, building consulting or planning, and infrastructure feasibility.

SECTION 4. IC 6-9-56-5, AS ADDED BY P.L.236-2023, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The county executive shall create a commission to promote the development and growth of the convention, visitor, and tourism industry in the county.

(b) The county executive shall determine the number of members, which must be an odd number and may not exceed fifteen (15) members, to be appointed to the commission. A simple majority of the members must **not** represent the hospitality industry or be:

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

A member appointed to the commission under subdivision (1) or (2) need not be a resident of the county if the member is an owner or an executive level employee of a convention, visitor, or tourism business that is located within the county. However, the member must be a resident of Indiana. 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 3 of this chapter). Not more than one (1) member may be affiliated with the same business entity. Except as otherwise provided in this subsection, each member must reside in the county. The county executive shall also determine who will make the appointments to the commission.

(c) 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.

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

(e) 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.

(f) 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.

(g) The commission shall meet after January 1 each year 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.

SECTION 5. IC 6-9-56-8 IS REPEALED [EFFECTIVE JULY 1, 2026]. See: 8. (a) ~~The county treasurer shall deposit in the tourism capital fund the amount of money received under section 3 of this chapter that exceeds five percent (5%). Money deposited in the tourism capital fund shall be transferred or expended only as provided in this section.~~

(b) ~~The commission must approve any transfer of money from the tourism capital fund and may transfer money from the tourism capital fund to support capital projects in the county that promote long term tourism, convention, or recreation projects proposed by any of the following:~~

(1) ~~The county government.~~

(2) ~~A city government.~~

(3) ~~A separate body corporate and politic in Hamilton County.~~

(4) ~~Any Indiana nonprofit corporation in Hamilton County.~~

~~The commission may transfer money under this subsection on a monthly basis or at another frequency as determined by the commission.~~

(c) ~~The commission may also review and approve proposals submitted by applicants that seek money from the tourism capital fund with the purpose and view of enhancing or providing support for capital projects that promote long term tourism, convention, or other economic development related to recreation. Funding available under this subsection shall be made available on an annual basis. In~~



determining whether to provide funding to a particular capital project under this subsection, the commission may use the following factors as a guide for capital project funding:

- (1) The proposed capital project is believed to be economically sound to the Hamilton County tourism, convention, or recreation economy and is also believed to be beneficial to:
 - (A) the general population of Hamilton County; or
 - (B) a particular location in Hamilton County.
- (2) The proposed capital project provides for reasonably adequate public assembly, gathering, or entertainment space and is integrally related to enhancing the tourism, convention, or recreation opportunities in Hamilton County or a particular location in Hamilton County.
- (3) The commission makes a reasonable effort to assess whether a proposed capital project aligns with the purpose of the commission and has a direct, indirect, or supportive relationship to the mission and promotional efforts of the commission as established and funded by the convention, visitor, and tourism promotion fund.

A capital project proposed by an applicant that does not meet at least one (1) of the criteria set forth in this subsection will not be funded, and any remaining funds collected revert to the tourism capital fund for distribution by the commission on projects within Hamilton County.

(d) An applicant that receives a grant of money from the tourism capital fund under subsection (c):

- (1) must agree to provide to the commission proof of project completion, including proof that the project was completed through the use of the grant money; and
- (2) may be subject to annual financial reporting and audit.

SECTION 6. IC 6-9-56-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) The county treasurer shall transfer the amount of money received under section 3(c)(2) of this chapter that is generated by a rate that exceeds five percent (5%) to the fiscal officer of each of the following cities with each city receiving an equal twenty-five percent (25%) share of the total amount collected:

- (1) Noblesville.
- (2) Carmel.
- (3) Fishers.
- (4) Westfield.

(b) The fiscal officer of each city under subsection (a) shall



establish an innkeeper's tax fund. The fiscal officer shall deposit in the fund all money received by the city under this section. The city fiscal body shall administer the fund. The city may not establish a tourism board or similar entity for any purposes of the fund and the city fiscal body shall have sole authority regarding the use of money in the fund as set forth under subsection (c).

(c) Money in the fund may be used only for capital projects for tourism related purposes as determined by the city fiscal body. The city fiscal body may issue bonds, enter into leases, or incur other obligations for the purposes of this subsection.

(d) Money transferred to a city under subsection (a) shall not be used by the city for tourism marketing, tourism promotion, or tourism planning purposes.".

Page 5, line 39, after "To" insert "**contract with the convention and visitor bureau in the county referenced in IC 6-9-9-3 to**".

Page 6, line 23, delete "twenty-two (22) years" and insert "**five (5) years**".

Page 6, after line 32, begin a new paragraph and insert:

"SECTION 9. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)] For purposes of IC 6-9-47.5:

- (1) the imposition and collection of tax after June 30, 2025, under that chapter with regard to a taxpayer that also is subject to a tax under IC 6-9-45.5 is permitted as if IC 6-9-45.5-13 had been repealed by P.L.230-2025; and**
- (2) no refund shall be permitted for the tax imposed under IC 6-9-47.5 after June 30, 2025, based on the imposition of tax under IC 6-9-45.5 on the same transaction.**

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

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 242 as introduced, and amended by the Senate Tax and Fiscal Policy Committee on January 13, 2026.)

HOLDMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.



SENATE MOTION

Mr. President: I move that Senate Bill 242 be amended to read as follows:

Page 8, delete lines 26 through 29.

Renumber all SECTIONS consecutively.

(Reference is to SB 242 as printed January 21, 2026.)

HOLDMAN

SENATE MOTION

Mr. President: I move that Senate Bill 242 be amended to read as follows:

Page 2, delete lines 23 through 34.

Page 8, delete lines 34 through 42.

Delete page 9.

Renumber all SECTIONS consecutively.

(Reference is to SB 242 as printed January 21, 2026.)

HOLDMAN

SENATE MOTION

Mr. President: I move that Senate Bill 242 be amended to read as follows:

Page 2, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 1. IC 6-9-56-1, AS ADDED BY P.L.236-2023, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) This chapter applies to Hamilton County, if the county had adopted an innkeeper's tax under IC 6-9-18 before July 1, 2023.

(b) The:

- (1) convention, visitor, and tourism promotion fund (**before its repeal**);
- (2) convention and visitor commission;
- (3) innkeeper's tax rate; and
- (4) tax collection procedures;

established under IC 6-9-18 before July 1, 2023, remain in effect and



govern the county's innkeeper's tax until amended under this chapter.

(c) A member of the convention and visitor commission established under IC 6-9-18 before July 1, 2023, 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.".

Page 2, delete lines 40 through 42, begin a new line block indented and insert:

"(1) A convention, visitor, and tourism promotion fund (~~before its repeal~~).

(2) A convention, visitor, tourism promotion and capital fund.

~~(2)~~ (3) A **municipal** tourism capital fund, if the county fiscal body adopts an ordinance to increase the tax rate under section 3 of this chapter and both the county fiscal body and the county executive adopt ordinances approving the establishment of a tourism capital fund.".

Page 3, delete lines 1 through 2.

Page 3, line 5, strike "7" and insert "7.5".

Page 3, delete lines 6 through 15, begin a new paragraph and insert:

"(b) The county auditor shall issue a warrant directing the county treasurer to transfer money from the convention, visitor, ~~and~~ tourism promotion **and capital** fund and **municipal** tourism capital 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 **and capital** fund, or money transferred from such a fund under subsection (b), may be expended only **for the following purposes:**

(1) To promote and encourage conventions, visitors, and tourism within the county. Expenditures under this ~~subsection subdivision~~ may include expenditures for advertising, promotional activities, trade shows, special events, and recreation.

(2) For infrastructure projects that improve or benefit the tourism economy. Expenditures under this subdivision may include acquisition, construction, alteration, improvements, or installation costs of any existing tangible property or tangible property that is to be constructed. Expenditures under this subdivision may include fees for professional services such as architectural, building consulting or planning, and infrastructure feasibility."

Page 3, line 16, after "in a" insert "**municipal**".

Page 4, between lines 28 and 29, begin a new paragraph and insert:



"SECTION 7. IC 6-9-56-7 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 7. (a) The county treasurer shall deposit in the convention, visitor, and tourism promotion fund the amount of money received under section 3 of this chapter that is not more than five percent (5%).

(b) Money in the convention, visitor, and tourism promotion fund shall be expended only as provided in this chapter.

(c) The commission may transfer money in the convention, visitor, and tourism promotion fund to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events. The commission may transfer money under this section only after approving the transfer. The commission may transfer money under this subsection on a monthly basis or at another frequency as determined by the commission.

SECTION 8. IC 6-9-56-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7.5. (a) For purposes of this section, "fund" refers to the convention, visitor, tourism promotion and capital fund established under section 4(a)(2) of this chapter.

(b) The county treasurer shall deposit in the fund the amount of money received under section 3 of this chapter that is not more than five percent (5%).

(c) Money in the fund shall be expended only as provided in section 4(c) of this chapter.

(d) The commission may transfer money in the fund to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, trade shows, visitors, or special events. The commission may transfer money under this subsection only after approving the transfer. The commission may transfer money under this subsection on a monthly basis or at another frequency as determined by the commission.

(e) The commission must approve any transfer of money from the fund and may transfer money from the fund to support capital projects in the county that promote long term tourism, convention, or recreation projects proposed by any of the following:

(1) The county government.

(2) A separate body corporate and politic in Hamilton County.

(3) Any Indiana nonprofit corporation in Hamilton County.

The commission may transfer money under this subsection on a monthly basis or at another frequency as determined by the commission.

(f) The commission may also review and approve proposals



submitted by applicants that seek money from the fund with the purpose and view of enhancing or providing support for capital projects that promote long term tourism, convention, or other economic development related to recreation. Funding available under this subsection shall be made available on an annual basis. In determining whether to provide funding to a particular capital project under this subsection, the commission may use the following factors as a guide for capital project funding:

- (1) The proposed capital project is believed to be economically sound to the Hamilton County tourism, convention, or recreation economy and is also believed to be beneficial to:
 - (A) the general population of Hamilton County; or
 - (B) a particular location in Hamilton County.
- (2) The proposed capital project provides for reasonably adequate public assembly, gathering, or entertainment space and is integrally related to enhancing the tourism, convention, or recreation opportunities in Hamilton County or a particular location in Hamilton County.
- (3) The commission makes a reasonable effort to assess whether a proposed capital project aligns with the purpose of the commission and has a direct, indirect, or supportive relationship to the mission and promotional efforts of the commission as established and funded by the fund.

Any remaining funds collected that are not awarded during an application period revert to the fund and may be used for distribution in a subsequent application period.

(g) An applicant that receives a grant of money from the fund under subsection (f):

- (1) must agree to provide to the commission proof of project completion, including proof that the project was completed through the use of the grant money; and
- (2) may be subject to annual financial reporting and audit.".

Page 6, line 11, delete "an innkeeper's tax fund." and insert "a municipal tourism capital fund."

Renumber all SECTIONS consecutively.

(Reference is to SB 242 as printed January 21, 2026.)

BALDWIN

