

# PROPOSED AMENDMENT

## SB 242 # 4

### DIGEST

Hamilton County innkeeper's tax. Removes provisions in the bill that would establish a Carmel innkeeper's tax. Revises provisions of the Hamilton County innkeeper's tax.

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1       Page 2, delete lines 25 through 42.  
2       Delete page 3.  
3       Page 4, delete lines 1 through 29, begin a new paragraph and insert:  
4       "SECTION 1. IC 6-9-56-4, AS ADDED BY P.L.236-2023,  
5       SECTION 121, IS AMENDED TO READ AS FOLLOWS  
6       [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) If a tax is imposed under  
7       section 3 of this chapter, the county treasurer shall establish the  
8       following funds:  
9               (1) A convention, visitor, and tourism promotion fund.  
10              (2) A tourism capital fund, if the county fiscal body adopts an  
11              ordinance to increase the tax rate under section 3 of this chapter  
12              and both the county fiscal body and the county executive adopt  
13              ordinances approving the establishment of a tourism capital fund.  
14       The county treasurer shall deposit in each fund all amounts the county  
15       treasurer receives under section 3 of this chapter and in accordance  
16       with the allocations required by sections 7 and 8.5 of this chapter.  
17       (b) The county auditor shall issue a warrant directing the county  
18       treasurer to transfer money from the convention, visitor, and tourism  
19       promotion fund and tourism capital fund to the commission's treasurer  
20       if the commission submits a written request for the transfer.  
21       (c) Money in a convention, visitor, and tourism promotion fund, or  
22       money transferred from such a fund under subsection (b), may be  
23       expended only to promote and encourage conventions, visitors, and  
24       tourism within the county. Expenditures under this subsection may  
25       include expenditures for advertising, promotional activities, trade  
26       shows, special events, and recreation.  
27       (d) Money in a tourism capital fund, or money transferred from such

1 a fund under subsection (b), may be expended on infrastructure  
2 projects that improve or benefit the tourism economy. Expenditures  
3 may include acquisition, construction, alteration, improvements, or  
4 installation costs of any existing tangible property or tangible property  
5 that is to be constructed. Expenditures may include fees for  
6 professional services such as architectural, building consulting or  
7 planning, and infrastructure feasibility.

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

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

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

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

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

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

40 (e) Members of the commission may not receive a salary. However,

1 commission members are entitled to reimbursement for necessary  
2 expenses incurred in the performance of their respective duties.

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

7 (g) The commission shall meet after January 1 each year for the  
8 purpose of organization. It shall elect one (1) of its members president,  
9 another vice president, another secretary, and another treasurer. The  
10 members elected to those offices shall perform the duties pertaining to  
11 the offices. The first officers chosen shall serve from the date of their  
12 election until their successors are elected and qualified. A majority of  
13 the commission constitutes a quorum, and the concurrence of a  
14 majority of the commission is necessary to authorize any action.

15 SECTION 5. IC 6-9-56-8 IS REPEALED [EFFECTIVE JULY 1,  
16 2026]. See: 8. (a) The county treasurer shall deposit in the tourism  
17 capital fund the amount of money received under section 3 of this  
18 chapter that exceeds five percent (5%). Money deposited in the tourism  
19 capital fund shall be transferred or expended only as provided in this  
20 section:

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

26 (1) The county government.

27 (2) A city government.

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

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

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

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

1 a guide for capital project funding:

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

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

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

12 (3) The commission makes a reasonable effort to assess whether  
13 a proposed capital project aligns with the purpose of the  
14 commission and has a direct, indirect, or supportive relationship  
15 to the mission and promotional efforts of the commission as  
16 established and funded by the convention, visitor, and tourism  
17 promotion fund.

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

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

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

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

28 SECTION 6. IC 6-9-56-8.5 IS ADDED TO THE INDIANA CODE  
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
30 1, 2026]: Sec. 8.5. (a) The county treasurer shall transfer the  
31 amount of money received under section 3(c)(2) of this chapter that  
32 is generated by a rate that exceeds five percent (5%) to the fiscal  
33 officer of each of the following cities with each city receiving an  
34 equal twenty-five percent (25%) share of the total amount  
35 collected:

36 (1) Noblesville.

37 (2) Carmel.

38 (3) Fishers.

39 (4) Westfield.

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

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

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

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

14      Renumber all SECTIONS consecutively.

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