



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:

- 1 Delete the amendment AM024202 adopted by the Senate Tax and
- 2 Fiscal Policy Committee on January 13, 2026.
- 3 Page 2, between lines 22 and 23, begin a new paragraph and insert:
- 4 "SECTION 4. IC 6-9-45.5-13 IS REPEALED [EFFECTIVE JULY
- 5 1, 2025 (RETROACTIVE)]. ~~Sec. 13. (a) As used in this section;~~
- 6 ~~"another food and beverage tax" refers to an excise tax that is imposed~~
- 7 ~~under any law other than this chapter and that is levied in all or any~~
- 8 ~~part of Orange County on a transaction in which food or beverage is~~
- 9 ~~furnished, prepared, or served:~~
- 10 ~~(1) for consumption at a location, or on equipment, provided by~~
- 11 ~~a retail merchant;~~
- 12 ~~(2) in the area in which the food and beverage tax is imposed; and~~
- 13 ~~(3) by a retail merchant for consideration.~~
- 14 ~~(b) Notwithstanding any other law, another food and beverage tax~~
- 15 ~~does not apply to transactions described in section 9 of this chapter."~~
- 16 Page 2, delete lines 23 through 42.
- 17 Delete page 3.
- 18 Page 4, delete lines 1 through 23, begin a new paragraph and insert:
- 19 "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~~ 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

1 members must **not** represent the hospitality industry or be:

2 (1) engaged in a convention, visitor, or tourism business; or

3 (2) involved in or promoting conventions, visitors, or tourism.

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

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

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

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

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

32 (g) The commission shall meet after January 1 each year for the
33 purpose of organization. It shall elect one (1) of its members president,
34 another vice president, another secretary, and another treasurer. The
35 members elected to those offices shall perform the duties pertaining to
36 the offices. The first officers chosen shall serve from the date of their
37 election until their successors are elected and qualified. A majority of
38 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]. Sec. 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

1 obligations for the purposes of this subsection.

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

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

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

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

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

12 (1) the imposition and collection of tax after June 30, 2025,
13 under that chapter with regard to a taxpayer that also is
14 subject to a tax under IC 6-9-45.5 is permitted as if
15 IC 6-9-45.5-13 had been repealed by P.L.230-2025; and

16 (2) no refund shall be permitted for the tax imposed under
17 IC 6-9-47.5 after June 30, 2025, based on the imposition of tax
18 under IC 6-9-45.5 on the same transaction.

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

20 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.)

and when so amended that said bill do pass.

Committee Vote: Yeas 11, Nays 0.

Holdman

Chairperson