



COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1121, 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 Page 6, delete lines 8 through 42.
- 2 Page 7, delete lines 1 through 16.
- 3 Page 7, line 31, delete "fund." and insert "**fund and used only for**
- 4 **the operating expenses of the acute care hospital located in the**
- 5 **county."**
- 6 Page 8, delete line 42.
- 7 Page 9, delete lines 1 through 3.
- 8 Page 9, line 4, reset in roman "(A)".
- 9 Page 9, line 4, delete "(B)".
- 10 Page 9, line 8, delete "(C)" and insert "**(B)**".
- 11 Page 9, line 12, delete "(D)" and insert "**(C)**".
- 12 Page 9, line 16, delete "(E)" and insert "**(D)**".
- 13 Page 11, between lines 2 and 3, begin a new paragraph and insert:
- 14 "SECTION 11. IC 6-3.6-7-17, AS AMENDED BY P.L.38-2021,
- 15 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16 JULY 1, 2024]: Sec. 17. (a) This section applies only to Perry County.
- 17 (b) Perry County possesses unique governmental and economic
- 18 development challenges due to:
- 19 (1) underemployment in relation to similarly situated counties and

1 the loss of a major manufacturing business; and
 2 (2) overcrowding of the county jail, the costs associated with
 3 housing the county's inmates outside the county, and the potential
 4 unavailability of additional housing for inmates outside the
 5 county.

6 The use of a tax under this section is necessary for the county to
 7 provide adequate jail capacity in the county and to maintain low
 8 property tax rates essential to economic development. The use of a tax
 9 under this section for the purposes described in this section promotes
 10 these purposes.

11 (c) The county fiscal body may impose a tax on the adjusted gross
 12 income of local taxpayers at a tax rate that does not exceed the lesser
 13 of the following:

- 14 (1) Five-tenths percent (0.5%).
 15 (2) The rate necessary to carry out the purposes described in this
 16 section.

17 (d) Revenue from a tax imposed under this section may be used only
 18 for the following purposes:

- 19 (1) To finance, construct, acquire, improve, renovate, remodel, or
 20 equip the county jail and related buildings and parking facilities,
 21 including costs related to the demolition of existing buildings, the
 22 acquisition of land, and any other reasonably related costs.
 23 (2) To repay bonds issued or leases entered into for constructing,
 24 acquiring, improving, renovating, remodeling, and equipping the
 25 county jail and related buildings and parking facilities, including
 26 costs related to the demolition of existing buildings, the
 27 acquisition of land, and any other reasonably related costs.

28 (e) The tax imposed under this section may be imposed only until
 29 the last of the following dates:

- 30 (1) The date on which the purposes described in subsection (d)(1)
 31 are completed.
 32 (2) The date on which the last of any bonds issued (including any
 33 refunding bonds) or leases described in subsection (d)(2) are fully
 34 paid.

35 The term of the bonds issued (including any refunding bonds) or a
 36 lease entered into under subsection (d)(2) may not exceed twenty-five
 37 (25) years.

38 (f) Funds accumulated from a tax under this section after:

- 1 (1) the redemption of the bonds issued; or
- 2 (2) the final payment of lease rentals due under a lease entered
- 3 into under this section;

4 shall be transferred to the county jail operations fund to be used for
 5 financing the maintenance and operations of the Perry County
 6 detention center: a county capital project fund to be used to finance
 7 capital projects within Perry County.

8 SECTION 12. IC 6-3.6-7-28 IS ADDED TO THE INDIANA CODE
 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: **Sec. 28. (a) This section applies to Grant County**
 11 **and only if the county council repeals provisions of its local income**
 12 **tax ordinance providing that under IC 6-3.6-10-2(7) one-hundredth**
 13 **of one percent (0.01%) of the county's special purpose rate revenue**
 14 **is used to fund the Grant County Economic Growth Council, Inc.**

15 (b) The county council may, by ordinance, determine that
 16 additional local income tax revenue is needed in the county to do
 17 the following:

18 (1) Finance, construct, acquire, improve, renovate, and equip
 19 the county jail, including costs related to the demolition of
 20 existing buildings, the acquisition of land, and any other
 21 reasonably related costs.

22 (2) Repay bonds issued or leases entered into for the purposes
 23 described in subdivision (1)

24 (c) If the county council makes the determination set forth in
 25 subsection (b), the county council may impose a tax on the adjusted
 26 gross income of local taxpayers at a tax rate that does not exceed
 27 the lesser of the following:

28 (1) Five-tenths percent (0.5%).

29 (2) The rate necessary to carry out the purposes described in
 30 this section.

31 The tax rate may not be greater than the rate necessary to pay for
 32 the purposes described in subsection (b).

33 (d) The tax rate used to pay for the purposes described in
 34 subsection (b)(1) and (b)(2) may be imposed only until the latest of
 35 the following dates:

36 (1) The date on which the financing, construction, acquisition,
 37 improvement, renovation, and equipping of the facilities as
 38 described in subsection (b) are completed.

- 1 **(2) The date on which the last of any bonds issued (including**
- 2 **refunding bonds) or leases entered into to finance the**
- 3 **construction, acquisition, improvement, renovation, and**
- 4 **equipping of the facilities described in subsection (b) are fully**
- 5 **paid.**
- 6 **(3) The date on which an ordinance adopted under subsection**
- 7 **(c) is rescinded.**
- 8 **(e) The tax rate under this section may be imposed beginning in**
- 9 **the year following the year the ordinance is adopted and until the**
- 10 **date on which the ordinance adopted under this section is**
- 11 **rescinded.**
- 12 **(f) The term of a bond issued (including any refunding bond) or**
- 13 **a lease entered into under subsection (b) may not exceed**
- 14 **twenty-five (25) years.**
- 15 **(g) The county treasurer shall establish a county jail revenue**
- 16 **fund to be used only for the purposes described in this section.**
- 17 **Local income tax revenues derived from the tax rate imposed**
- 18 **under this section shall be deposited in the county jail revenue**
- 19 **fund.**
- 20 **(h) Local income tax revenues derived from the tax rate**
- 21 **imposed under this section:**
- 22 **(1) may be used only for the purposes described in this**
- 23 **section;**
- 24 **(2) may not be considered by the department of local**
- 25 **government finance in determining the county's maximum**
- 26 **permissible property tax levy limit under IC 6-1.1-18.5; and**
- 27 **(3) may be pledged to the repayment of bonds issued or leases**
- 28 **entered into for the purposes described in subsection (b).**
- 29 **(i) Grant County possesses unique governmental challenges and**
- 30 **opportunities due to deficiencies in the current county jail. The use**
- 31 **of local income tax revenues as provided in this section is necessary**
- 32 **for the county to provide adequate jail capacity in the county and**
- 33 **to maintain low property tax rates essential to economic**
- 34 **development. The use of local income tax revenues as provided in**
- 35 **this section to pay any bonds issued or leases entered into to**
- 36 **finance the construction, acquisition, improvement, renovation,**
- 37 **and equipping of the facilities described in subsection (b), rather**
- 38 **than the use of property taxes, promotes those purposes.**

1 **(j) Money accumulated from the local income tax rate imposed**
2 **under this section after the termination of the tax under this**
3 **section shall be transferred to the county rainy day fund under**
4 **IC 36-1-8-5.1."**

5 Page 11, delete lines 10 through 11.

6 Page 11, line 12, reset in roman "(A)".

7 Page 11, line 12, delete "(B)".

8 Page 11, line 14, delete "(C)" and insert "**(B)**".

9 Page 11, line 16, delete "(D)" and insert "**(C)**".

10 Page 16, between lines 39 and 40, begin a new paragraph and insert:

11 "SECTION 18. IC 6-9-53-3, AS ADDED BY P.L.290-2019,
12 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2024]: Sec. 3. (a) The fiscal body of the county may levy a tax
14 on every person engaged in the business of renting or furnishing, for
15 periods of less than thirty (30) days, any room or rooms, lodgings, or
16 accommodations in any:

17 (1) hotel;

18 (2) motel;

19 (3) boat motel;

20 (4) inn;

21 (5) college or university memorial union;

22 (6) college or university residence hall or dormitory; or

23 (7) tourist cabin;

24 located in the county.

25 (b) The tax does not apply to gross income received in a transaction
26 in which:

27 (1) a student rents lodgings in a college or university residence
28 hall while that student participates in a course of study for which
29 the student receives college credit from a college or university
30 located in the county; or

31 (2) a person rents a room, lodging, or accommodations for a
32 period of thirty (30) days or more.

33 (c) Subject to subsection (d), the tax may not exceed the rate of ~~six~~
34 **eight** percent ~~(6%)~~ **(8%)** on the gross retail income derived from
35 lodging income only and is in addition to the state gross retail tax
36 imposed under IC 6-2.5.

37 (d) Notwithstanding subsection (c), the tax rate imposed by the
38 fiscal body of Knox County under this chapter may not exceed ~~five~~

- 1 **seven percent (~~5%~~) (7%)** if either of the following apply:
- 2 (1) The Grouseland Foundation, Inc., is dissolved.
- 3 (2) Tours of the territorial mansion and presidential site of
- 4 William Henry Harrison are no longer provided.
- 5 (e) The tax shall be imposed, paid, and collected in the same manner
- 6 as the state gross retail tax is imposed, paid, and collected under
- 7 IC 6-2.5.
- 8 **(f) This subsection applies only if the fiscal body increases the**
- 9 **tax rate to more than six percent (6%). The portion of the tax rate**
- 10 **that exceeds six percent (6%) expires on December 31, 2045.**
- 11 SECTION 19. IC 6-9-53-5, AS AMENDED BY THE TECHNICAL
- 12 CORRECTIONS BILL OF THE 2024 GENERAL ASSEMBLY, IS
- 13 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]:
- 14 Sec. 5. The amounts received from the tax imposed under this chapter
- 15 shall be paid monthly by the treasurer of state upon warrants issued by
- 16 the ~~auditor~~ of state **comptroller** as follows:
- 17 (1) If the tax rate imposed under section 3 of this chapter is ~~five~~
- 18 **seven percent (~~5%~~) (7%)** or less, all amounts received from the
- 19 tax shall be paid to the county treasurer.
- 20 (2) If the tax rate imposed under section 3 of this chapter is more
- 21 than ~~five~~ **seven percent (~~5%~~); (7%)**, amounts received from the
- 22 tax shall be allocated and paid as follows:
- 23 (A) The amount received from the tax as a result of a ~~five~~
- 24 **seven percent (~~5%~~) (7%)** rate shall be allocated and paid to
- 25 the county treasurer.
- 26 (B) The amount received from the tax that exceeds the amount
- 27 under clause (A) shall be allocated and paid to the Grouseland
- 28 Foundation, Inc."
- 29 Page 21, line 27, delete "stormwater" and insert "**storm water**".
- 30 Page 21, delete lines 41 through 42.
- 31 Delete page 22.

- 1 Page 23, delete lines 1 through 18.
- 2 Page 23, line 33, delete "certified".
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1121 as reprinted January 30, 2024.)

and when so amended that said bill do pass.

Committee Vote: Yeas 14, Nays 0.

Holdman

Chairperson