

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7168**

**BILL NUMBER: HB 1115**

**DATE PREPARED: Jan 3, 2002**

**BILL AMENDED:**

**SUBJECT:** Taxpayer protection and development assistance.

**FISCAL ANALYST:** Jim Landers

**PHONE NUMBER:** 232-9869

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill requires the Department of Commerce to: (1) adopt a standardized information form that must be completed by any person applying for development assistance; (2) publish a report based on the completed information forms; and (3) provide the report at no cost in both printed and electronic form to the public.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** The bill requires the Indiana Department of Commerce (IDOC) to adopt a standardized form to be completed by any person applying for development assistance (beginning January 1, 2003) under any program or fund operated or administered by the state or a political subdivision. The bill also defines "development assistance" as tax deductions, credits, grants, loans, and numerous other mechanisms of public assistance used to generate economic development. The IDOC would also be required to prepare annual development assistance reports and make them available in paper form and on the Internet. It is estimated that the Department would need an additional PAT II-level employee in order to meet the provisions of this bill. Annual salary, fringe, and indirect expenses for a PAT II-level employee are estimated at \$45,498 in FY 2003 and \$45,448 in FY 2004.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. The December 3, 2001, state staffing table indicates that the IDOC has 18 vacant full-time positions, three of which are PAT II-level positions. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local units granting development assistance must report the required information to the IDOC if the recipients of the assistance fail to file with the Department. The administrative impact of this requirement is unknown.

**Explanation of Local Revenues:** If a recipient of local development assistance does not submit the required information and the unit that granted the assistance does not provide it to the Department, the IDOC would suspend all current assistance in that unit's jurisdiction until the information is obtained. The impact that this provision may have is indeterminable.

**State Agencies Affected:** Indiana Department of Commerce.

**Local Agencies Affected:** Local units granting development assistance.

**Information Sources:** Indiana Department of Commerce.