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FISCAL IMPACT STATEMENT

LS 7916
BILL NUMBER: SB 571

NOTE PREPARED: Feb 14, 2005
BILL AMENDED:

SUBJECT: Multi-jurisdictional Economic Development.

FIRST AUTHOR: Sen. Simpson
FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill authorizes various economic development entities to enter into written agreements for jointly undertaken economic development projects.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill authorizes various economic development entities to enter into agreements for jointly operated economic development projects. These entities consist of:

- (1) local redevelopment departments;
- (2) the Indianapolis Metropolitan Development Department;
- (3) local port authorities;
- (4) local airport authorities;
- (5) community revitalization enhancement districts (CREDS);
- (6) certified technology parks.

(Note: Under current statute, entities listed in (1) to (4) in Gary, Vigo County, and Allen County are authorized

to enter into agreements for jointly operated projects.) An entity that is a party to such an agreement may grant powers to other parties of the agreement; or pledge any of its revenues, including taxes or allocated taxes, to bonds or lease rental obligations of another party to the agreement. Under current statute, property taxes may be levied for purposes of local port authorities; local airport authorities; and CREDs. Current statute allows redevelopment districts, CREDs, and certified technology parks to capture incremental property taxes. In addition, CREDs and technology parks also may capture incremental revenue from state income taxes, local option income taxes, and Sales Tax generated in these areas. However, the bill prohibits any of these entities from granting another entity taxing powers or the power to establish an allocation area under an agreement.

Background: Fourteen certified technology parks have been designated in Anderson, Columbus, Daviess County, Evansville, Ft. Wayne, Hammond, Indianapolis, Kokomo, Muncie, Richmond, Scottsburg, Shelbyville, Terre Haute, and West Lafayette. Currently, there are 8 CREDs. Marion and South Bend each have one CRED, and Bloomington, Ft. Wayne, and Delaware County each have two CREDs.

State Agencies Affected:

Local Agencies Affected: Redevelopment commissions; local port authorities; airport authorities.

Information Sources:

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