

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6889**

**BILL NUMBER:** HB 1398

**NOTE PREPARED:** Jan 31, 2006

**BILL AMENDED:** Jan 30, 2006

**SUBJECT:** Marion County Airport Board and Airport Land Use; Gary Airport Authority

**FIRST AUTHOR:** Rep. Whetstone

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FIRST SPONSOR:**

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*Airport Authority Board Marion County* - The bill provides that the airport authority board established for Marion County consists of six members appointed by the mayor of the consolidated city, one member appointed by each county within which the airport authority owns real property (not including Marion County), and two members appointed by the Governor. The bill provides for the appointment of a nonvoting advisory member to the board.

*Advertising Display* - The bill provides that, to display advertising on a sign or billboard located on land within a dedicated public thoroughfare or interstate highway, an airport authority board, a lessee of a board, or a lessee's assigns must comply with all state laws and all local zoning ordinances and regulations (to the extent the local zoning ordinances and regulations do not compromise the operational safety of the airport and are not superseded by the airport zoning authority of the airport board and the governmental entity that owns the airport). The bill provides that the term "aviation-related property" does not include billboards that are within a dedicated public thoroughfare or interstate highway and that display advertising

*Repeal of Marion County Airport Authority Board* - The bill also repeals the current statute governing membership on the airport authority board for Marion County.

*Gary Airport Authority* The bill provides that the district of the Gary Airport Authority consists of the combined area of Lake County and Porter County.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** (Revised) *Gary Airport Authority* - Property Tax Replacement Credits and Homestead Credits would not be affected by this provision.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Airport Authority Board Marion County* - The Controller of the Indianapolis Airport Authority reports that per diem is not paid to board members. The provisions of this bill will have no fiscal impact on the Indianapolis Airport Authority Board.

*Background Information* - Current statute provides that the fiscal body of an entity may pay to a board member a per diem of no more than \$35 and reimburse travel expenses.

**Explanation of Local Revenues:** (Revised) *Gary Airport Authority* - The bill increases the tax base for the Gary Airport Authority. The 2005 assessed valuation for the airport authority was about \$1.94 B with an operating fund tax rate of \$0.0677. The combined assessed valuation of Lake and Porter Counties for CY 2005 was about \$27.3 B.

The bill would reduce the operating fund tax rate from \$0.793 to \$0.0048 for taxpayers within the current airport authority taxing district and increase the tax rate taxpayers in Lake and Porter Counties outside the airport authority by \$0.0048.

The airport would be able to raise more from its cumulative building fund. The current rate of \$0.116 generated \$224,669 for CY 2005. The same rate applied to the new assessed value base in Lake and Porter Counties would generate about \$3.1 M

**State Agencies Affected:**

**Local Agencies Affected:** Indianapolis Airport Authority; Hamilton, Hancock, and Hendricks Counties (the Airport Authority owns land in these counties); townships (Decatur and Wayne) within Marion County in which the Airport Authority owns land; Gary Airport Authority.

**Information Sources:** Marsha Stone, Director of Finance for the Indianapolis Airport Authority, 317-487-5127; Eric Anderson, Airport Authority Property Manager, 317-487-5029.

**Fiscal Analyst:** James Sperlik, 317-232-9866; Chuck Mayfield, 317-232-4825.