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FISCAL IMPACT STATEMENT

LS 6648

BILL NUMBER: HB 1115

NOTE PREPARED: Jan 22, 2008

BILL AMENDED:

SUBJECT: Wabash River Heritage Corridor.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Wabash River Heritage Corridor Commission Fund.* This bill removes a provision that money in the Wabash River Heritage Corridor Commission Fund does not revert to the state General Fund at the end of a fiscal year.

Wabash River Heritage Corridor Fund. The bill establishes the Wabash River Heritage Corridor Fund.

Proceeds from Minerals Taken. It deposits proceeds paid for minerals taken from beneath the navigable waters of the state in the Wabash River Heritage Corridor Fund.

Technical Change. The bill makes a technical change.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Wabash River Heritage Corridor Commission Fund.* The bill provides that money in the Wabash River Heritage Corridor Commission Fund reverts to the state General Fund at the end of a fiscal year. On 6/30/06 and 6/30/07, the fund had a balance of \$0. There would have been no impact at the end of FY 2006 and FY 2007 had this provision been in effect. However, there could be money to revert in future years.

Wabash River Heritage Corridor Fund. The bill establishes the Wabash River Heritage Corridor Fund for the purpose of providing grants to aid the sustainable development of property under the Wabash River Heritage Corridor Commission Master Plan and for purposes of the commission. The fund may also be used to pay costs incurred in fulfilling the directives of the master plan.

The fund must be administered by the Director of the Department of Natural Resources (DNR) under the direction of the commission. Expenses of administering the fund must be paid from money in the fund. Money in the fund at the end of a fiscal year does not revert to the state General Fund.

Proceeds from Minerals Taken. The bill provides that proceeds from royalties or other compensation paid for minerals taken from beneath the navigable waters of the state must be deposited in the Wabash River Heritage Corridor Fund. Under existing law, after deducting administrative costs incurred by the DNR, proceeds paid for minerals taken from beneath the navigable waters of the state are deposited in the state General Fund. Revenues and administrative costs for the past three years are outlined below.

Lease and Land Royalties: Revenues and Expenditures FY 2004–2007.			
Year	Revenues	Administrative Costs (10%)	General Fund Deposit
2004	\$99,705	\$9,970	\$89,735
2005	\$171,199	\$17,119	\$154,080
2006	\$202,699	\$20,269	\$182,430
2007	\$186,965	\$24,136	\$162,829

Under the provisions of the bill, revenue to the state General Fund would decrease while the deposit to the Wabash River Heritage Corridor Fund would increase. The specific impact will depend on the amount of revenues generated by royalties. Any money in the fund at the end of a fiscal year does not revert to the state General Fund.

Background: The General Fund appropriation to the Wabash River Heritage Corridor for each of FY 2008 and FY 2009 is \$91,000.

The Wabash River Heritage Corridor Commission Fund is used to pay expenses of Commission members; other administrative costs; and costs incurred in fulfilling the directives of the Wabash River Heritage Corridor Commission Master Plan, including multi-county projects and marketing and educational tools such as video tape productions, signs, and promotional literature.

Under existing law, the sources of money for the fund are appropriations and any other funds obtained by the commission. The Treasurer of State must invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from investments are deposited in the fund.

Explanation of State Revenues: The bill establishes the Wabash River Heritage Corridor Fund for the purpose of providing grants to aid the sustainable development of property under the Wabash River Heritage Corridor Commission Master Plan; for purposes of the commission; and to pay costs incurred in fulfilling the directives of the master plan, including multi-county projects.

The fund must be administered by the DNR Director under the direction of the commission. Expenses of administering the fund must be paid from money in the fund. The fund consists of the following:

- (1) Appropriations.
- (2) Interest.
- (3) Royalties paid for minerals taken from beneath the navigable waters.
- (4) Donations.
- (5) Money transferred to the fund from other funds.

The Treasurer of State must invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Explanation of Local Expenditures:

Explanation of Local Revenues: Grants may be available to counties located along the corridor for local projects relating to the corridor.

State Agencies Affected: DNR.

Local Agencies Affected: Counties participating in the corridor.

Information Sources: DNR and the Commission website-- http://www.in.gov/wrhcc/pdfs/manage_plan.pdf

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