

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

**LS 6854**

**BILL NUMBER: SB 374**

**NOTE PREPARED: Jan 1, 2010**

**BILL AMENDED:**

**SUBJECT:** Green Building Demonstration Projects.

**FIRST AUTHOR:** Sen. Errington

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Indiana Office of Energy Development (OED) to establish a program for making four demonstration grants to encourage energy efficient construction or rehabilitation. It provides that the demonstration projects must be for the construction or rehabilitation of a building by a public school corporation and a building by a public institution of higher education and the construction of a primary residence and the rehabilitation of a primary residence that are supported by a city or town. It requires an applicant to verify that the applicant's project will generate private spending in the community, create jobs that are not directly created by the project, and result in increased state and local tax revenue. It establishes the amount of each grant amount as the amount necessary to reduce the annual percentage rate for the borrowing necessary to complete the project by one percent. The bill also provides that the OED shall use money available to it under the American Recovery and Reinvestment Act of 2009 to make the grants.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** *Indiana Office of Energy Development (OED):* This bill requires the OED to provide four demonstration grants using money available under the American Recovery and Reinvestment Act of 2009 beginning in FY 2011. The OED will have to establish procedures for providing the grants, including application submission, review and a scoring process. In addition, the OED will have to present a report to the Budget Committee before the start of FY 2012 describing the projects funded by the grants. The bill's requirements represent an additional workload on the OED, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

*Grant Funding:* The bill specifies that the funding for the grants would be from money available under the American Recovery and Reinvestment Act of 2009. The OED would have to get approval from the U.S. Department of Energy for use of these funds.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** OED.

**Local Agencies Affected:**

**Information Sources:** Brandon Seitz, OED.

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