

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

**LS 6643**

**BILL NUMBER:** HB 1275

**NOTE PREPARED:** Mar 28, 2011

**BILL AMENDED:** Feb 17, 2011

**SUBJECT:** Local Transfers Between Funds.

**FIRST AUTHOR:** Rep. Saunders

**FIRST SPONSOR:** Sen. C. Lawson

**BILL STATUS:** As Passed House

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

**IMPACT:** Local

**Summary of Legislation:** (Amended) The bill authorizes a county, city, or town to transfer money from its economic development income tax fund or rainy day fund to its general fund or any appropriated funds of the county, city, or town. The bill requires a county, city, or town to make the transfer by adopting an ordinance or resolution.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) *Summary:* The bill would make it easier for a city, town, or county unit to place money in the unit's general fund or other specified fund. Under current law, money in a rainy day fund must be appropriated by the unit fiscal body to the general or other specified fund. The money received from the rainy day fund would then have to be appropriated again from the general or specialty fund for the actual good or service being purchased by the unit.

The provision would save cities, towns, and counties the advertisement cost if transfers did not require an appropriation.

**Background Information-** There are 92 counties, 119 cities, and 447 towns in Indiana that the State Board of Accounts either annually or biennially examines.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Cities, counties, and towns.

**Information Sources:** State Board of Accounts.

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