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**FISCAL IMPACT STATEMENT**

**LS 7381**

**BILL NUMBER: HB 1574**

**NOTE PREPARED: Feb 14, 2011**

**BILL AMENDED: Feb 10, 2011**

**SUBJECT:** Little Calumet River Basin Development Commission.

**FIRST AUTHOR:** Rep. Soliday

**FIRST SPONSOR:**

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

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

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill requires the Little Calumet River Basin Development Commission to levy a special assessment on parcels of land within certain areas of the Little Calumet River and Burns Waterway watershed. Money collected may be used only for expenses directly related to the operation, repair, and maintenance of flood protection systems within the watershed. The bill deposits money collected by the assessment into a segregated account within the Little Calumet River Project Development Fund. If the amount in the account exceeds \$12 M, the assessment may not be collected for 12 months and until the amount in the segregated account is less than \$7 M. The bill provides for the transfer of \$300,000 to the Indiana Regional Development Authority if the balance in the segregated account is less than \$7 M. The bill provides for the transfer of \$900,000 to the Indiana Regional Development Authority if the balance in the segregated account is equal to or exceeds \$7 M. The bill repeals and moves definition of "political subdivision".

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

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) The Commission must impose an annual special assessment against each parcel of real property that is within a specified geographic area. Special assessments must be deposited into a segregated account. The Commission must certify the list of assessments to the county auditor. Money collected may be used only for expenses directly related to the operation, repair, and maintenance of flood protection systems within the watershed.

The county treasurer must add the assessment to property tax statements. The county treasurer must certify to the county auditor the amount of the special assessments collected. The county auditor must pay special assessments collected by the county treasurer to the Commission.

The bill provides for the transfer of \$300,000 to the Northwest Indiana Regional Development Authority if the balance in the segregated account is less than \$7 M. The bill provides for the transfer of \$900,000 to the Indiana Regional Development Authority if the balance in the segregated account is equal to or exceeds \$7M.

**Explanation of Local Revenues:** (Revised) The special assessment would be assessed at differing amounts depending on the parcel type. The assessments for CY 2011 would be twice as much as the assessments starting in CY 2012.

According to the Department of Natural Resources (DNR), there are 120,005 parcels in the assessment area. The parcel type could not be identified for 1,826 of those parcels. Also, 8,144 parcels were identified as property tax exempt parcels. Of these property tax exempt parcels, 1,325 are owned by the federal or state government and are exempt from the assessment. Another 5,862 parcels are owned by local government and 957 parcels have non-governmental ownership. It is unclear if the assessment would apply to local government-owned parcels or to property tax exempt parcels that have non-governmental ownership.

The total revenue from the assessments on the remaining 110,035 parcels is estimated at \$7.0 M in CY 2011 and \$3.5 M per year beginning in CY 2012. The parcel counts, assessments, and estimated yearly revenues are as follows:

Property Class	Parcel Count	CY 2011 Assessment	CY 2012+ Assessment	CY 2011 Est. Revenue	CY 2012+ Est. Revenue
Agricultural	453	100	50	45,300	22,650
Industrial	652	400	200	260,800	130,400
Commercial	6,471	200	100	1,294,200	647,100
Residential	101,790	50	25	5,089,500	2,544,750
Utility	669	400	200	267,600	133,800
<b>Total</b>	<b>110,035</b>			<b>6,957,400</b>	<b>3,478,700</b>

If on July 1 the balance in the account exceeds \$12 M, the Commission must suspend collection of the special assessment for at least 12 months and until the balance is less than \$7 M.

*Background.* IC 14-13-2-7 provides that the Commission has 5 members appointed by the Governor. One member must represent the DNR, and 4 must reside in a specified city, town, or township. However, a member may not be an employee or elected official of a city, town, or county governmental unit. The Commission received \$14 M for repair and rehabilitation in the FY 09-11 biennial appropriation.

**State Agencies Affected:** DNR.

**Local Agencies Affected:** Units represented by the Little Calumet River Basin Development Commission.

**Information Sources:** DNR; Lake County Assessor parcel data.

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