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FISCAL IMPACT STATEMENT

LS 6560

BILL NUMBER: SB 535

NOTE PREPARED: Feb 18, 2013

BILL AMENDED:

SUBJECT: Airport Authorities and Economic Development.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides that if Clark County establishes an airport authority, the board of the airport authority consists of:

- (1) Three members appointed by the Clark County fiscal body;
- (2) Two members appointed by the Clark County executive;
- (3) One member appointed by the executive of Jeffersonville; and
- (4) One member appointed by the board of the military base reuse authority located in Clark County.

The bill also specifies that if such an airport authority is established that it shall be named the South Central Regional Airport Authority and that the authority's budget, tax levies, and bonds or leases payable from property taxes must be approved by the Clark County fiscal body.

The bill provides that a redevelopment commission or a military base reuse authority may provide revenue to an airport authority if the commission or reuse authority makes a determination that providing the revenue will enhance economic development opportunities.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill has an indeterminate fiscal impact on Clark County as it is based on the actions of the county council of Clark County in establishing an airport authority. If an airport authority were created, under this bill the Clark County Council would be required to approve the budget, tax levies, and debt of the airport authority.

According to the bill, any redevelopment commission may choose to provide revenue to an airport authority if the commission determines that doing so would net economic development opportunities. Redevelopment commissions are a separate taxing unit and may levy property taxes to fund their development activities. The fiscal impact of this provision is dependent upon local decisions.

The bill allows any military base reuse authority to provide revenue collected through property taxes to an airport authority if such a transfer would enhance economic development opportunities. There are three likely military base reuse areas that may utilize this provision: Fort Benjamin Harrison, Grissom Aeroplex, and the River Ridge Commerce Center (the former Indiana Army Ammunition Plant). The amount of revenue that a military base reuse authority would transfer to an airport authority would depend on local agreements and available funds.

Background: Clark County already operates a regional airport through the Clark County Board Aviation Commission. Known as the Clark Regional Airport, it is considered to be a reliever airport. These airports are designated by the Federal Aviation Administration (FAA) to relieve congestion at commercial service airports and to provide improved access to the community. The Clark Regional Airport is publicly owned.

Clark County Redevelopment Commission, Clarksville Redevelopment Commission, Jeffersonville Redevelopment Commission, and River Ridge Commerce Center are all located within Clark County.

State Agencies Affected:

Local Agencies Affected: Clark County, redevelopment commissions, airport authorities, military base reuse authorities.

Information Sources: Clark Regional Airport website - <http://www.clarkregionalairport.com/>; Indiana Legislative Services Agency County Property Tax Report 2012 - <http://www.in.gov/legislative/2397.htm>; River Ridge Commerce Center website - <http://www.riverridgecc.com/>; Federal Aviation Administration - http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/categories/.

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