

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8024**

**BILL NUMBER: HB 1909**

**DATE PREPARED:** Jan 22, 1999

**BILL AMENDED:**

**SUBJECT:** Brownfield remediation and redevelopment.

**FISCAL ANALYST:** Kristin Breen

**PHONE NUMBER:** 232-9567

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

STATE IMPACT	FY 1999	FY 2000	FY 2001
State Revenues			
State Expenditures		5,000,000	
Net Increase (Decrease)		(5,000,000)	

**Summary of Legislation:** (1) This bill requires the Department of Commerce to use money remaining in the Enterprise Zone Fund at the end of a fiscal year to provide grants to enterprise zones for brownfield remediation and redevelopment activities.

(2) It provides that an application for assistance from the Environmental Remediation Revolving Loan Program is required to include an opinion of bond counsel only if the assistance being sought is a loan.

(3) It permits the Indiana Development Finance Authority to deposit appropriations and other money received under the environmental remediation revolving loan program into a subaccount of the Environmental Remediation Revolving Loan Fund for the purpose of providing forgivable loans to political subdivisions for brownfield remediation and redevelopment.

(4) It appropriates \$5,000,000 to the Environmental Remediation Revolving Loan Fund from the state General Fund for the biennium beginning July 1, 1999.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (1) This bill provides that the Department of Commerce may use

money remaining in the Enterprise Zone Fund at the end of a fiscal year to provide grants for brownfield remediation and redevelopment activities within enterprise zones. There are currently 21 enterprise zones in the state. Under current statute, revenue in the Enterprise Zone Fund is used to pay salaries of employees of the Enterprise Zone Board and to pay administrative expenses of the enterprise zone program. The Enterprise Zone Fund receives revenue from the registration fee paid by certain enterprise zone businesses. A projected balance of the Fund at the end of FY 2000 and beyond is not currently known. This information will be updated when it is received. This may increase the Department of Commerce's expenditures if it provides grants from this Fund.

(3) It allows the Indiana Development Finance Authority (IDFA) to deposit appropriations and other money received under the environmental remediation revolving loan program after June 30, 1999 into a subaccount of the Environmental Remediation Revolving Loan Fund (ERRLF). IDFA must then use money in the subaccount to award forgivable loans to political subdivisions for brownfield remediation and redevelopment. Not more than 20% of the total amount of loans provided for a project may be in the form of a forgivable loan.

(4) It appropriates \$5 million from the state General Fund to the ERRLF for the 1999-2001 biennium. P.L. 59 - 1997 (SEA 360) established the ERRLF and provided that \$10 million is to be transferred to the ERRLF from the Hazardous Substances Response Trust Fund between July 1, 1997 and July 1, 1999. Under current IDFA guidelines, \$2 million of the \$10 million is to be distributed as grants, while the remaining \$8 million is to be distributed as loans. The Revolving Loan Fund currently has an unobligated balance of approximately \$7.9 million.

**Explanation of State Revenues:** (2) It bill provides that an application for assistance from the ERRLF is required to include an opinion of bond counsel only if the assistance being sought is a loan. This may decrease the expenses of political subdivisions if they apply for financial assistance other than loans.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Commerce; Indiana Development Finance Authority.

**Local Agencies Affected:** Political subdivisions.

**Information Sources:**