

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6651
BILL NUMBER: SB 139

DATE PREPARED: Dec 8, 1998
BILL AMENDED:

SUBJECT: Industrial Development Grant Fund.

FISCAL ANALYST: James Sperlik
PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a Class 2 and a Class 3 railroad are eligible entities for purposes of the Industrial Development Grant Fund. It adds construction, extension, or completion of rail infrastructure to the projects that may be the subject of an economic development program.

Effective Date: July 1, 1999.

Explanation of State Expenditures: The provisions of this bill add approximately 32 Class II and Class III railroads to the list of eligible entities for the purposes of the Industrial Development Grant Fund (IDGF). The bill also adds railroad infrastructure to the projects that may be subject of an economic development program. The IDGF is supported by State General Fund appropriations. In fiscal year 1997-98, \$4.2 million was appropriated to the IDGF and the entire amount was disbursed. In fiscal year 1998-99, \$4.2 million was appropriated to the fund, and as of December 7, 1998, \$2.1 million has been disbursed, with a remaining balance of \$2.1 million. This bill will expand the use of the IDGF. The specific impact of this bill will depend upon the number of and the dollar amounts of grants awarded to the newly eligible entities that would otherwise be awarded to the currently eligible recipients.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The specific impact of this bill will depend upon the number of and the dollar amounts of grants awarded to the newly eligible entities. County port authorities which operate short line railroads would be eligible entities.

State Agencies Affected: Department of Commerce.

Local Agencies Affected: Those local entities which receive IDGF grants.

Information Sources: Auditor's Data base; Gerald Thomas of the Hoosier Southern Railroad.