

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6188
BILL NUMBER: HB 1028

DATE PREPARED: Nov 14, 1999
BILL AMENDED:

SUBJECT: Build Indiana Fund distributions.

FISCAL ANALYST: Brian Tabor
PHONE NUMBER: 233-9456

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill eliminates the Build Indiana Capital Projects Review Committee. It changes the name of the State and Local Capital Projects Account within the Build Indiana Fund to the Local Capital Projects Account and requires the Budget Agency to do the following:

- (1) reserve 50% of the amount credited to the Local Capital Projects Account for capital projects in Senate districts and divide the money equally among each Senate district;
- (2) reserve 50% of the amount credited to the Local Capital Projects Account for capital projects in House districts and divide the money equally among each House district; and
- (3) submit a list of proposed capital projects in each House and Senate district to the General Assembly.

The bill also provides that money in the Local Capital Projects Account may not be appropriated for capital projects in a Senate or House district in an amount that exceeds the amounts determined by the Budget Agency.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill repeals the statute establishing the Indiana Capital Projects Review Committee. Since this Committee is not currently active, its elimination will not have a fiscal impact.

The bill also changes the State and Local Capital Projects Account of the Build Indiana Fund to the Local Capital Projects Account. Under current law, certain political subdivisions, the state, and state-funded higher education institutions are eligible to apply for funding from the State and Local Capital Projects Account. This bill provides that only certain local political subdivisions would be considered eligible to apply for funding.

There are currently two accounts within the Build Indiana Fund: the Lottery and Gaming Surplus Account and the State and Local Capital Projects Account. Surplus lottery revenue, as well as revenue from the Riverboat Wagering Tax, the Pari-Mutuel Wagering Tax, and charity gaming is deposited in the Lottery and Gaming Surplus Account. A statutorily determined amount of revenue in this account is transferred each year to the Motor Vehicle Excise Tax Replacement Account within the state General Fund. A portion of money remaining in the Lottery and Gaming Surplus Account is then transferred to the State and Local Capital Projects Account.

Under this bill, money remaining in the Lottery and Gaming Surplus Account would be transferred to the Local Capital Projects Account, with half of the money in the account being reserved for projects in Senate districts and the other half reserved for House districts. To determine the amount available for individual districts, the Budget Agency would divide the amount of money reserved for the House and Senate by their respective number of districts. The bill provides that the amount appropriated for projects in a given district may not be greater than the amount determined by the Budget Agency.

Applications for the funding of local projects would be submitted to the State Budget Agency before June 1 of each even-numbered year. The Budget Agency would then present a list of proposed projects to the General Assembly. This proposal would impact the budget process beginning with the FY 2001-2003 biennium. The Budget Agency projects that as of June 30, 2001, the available balance of the Lottery and Gaming Surplus Account will be \$290.6 M.

The Budget Agency should be able to absorb any costs related to the additional procedures required by this bill given its current budget and resources.

Explanation of State Revenues: Under this proposal, the state and state-funded institutions of higher education would no longer be eligible to apply for funds from the State and Local Capital Projects Account (which would be renamed the Local Capital Projects Account).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State entities, including state-funded institutions of higher education; State Budget Agency.

Local Agencies Affected:

Information Sources: State Budget Agency.