

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6830

BILL NUMBER: SB 336

DATE PREPARED: Dec 30, 1999

BILL AMENDED:

SUBJECT: High technology infrastructure.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that if a statute authorizes the Department of Commerce or the Indiana Development Finance Authority to provide a grant, loan, or guarantee to a unit of local government or a private entity for infrastructure or capital projects, the grant, loan, or guarantee may also be used by the unit or entity for information and high technology infrastructure. It specifies that money provided for rural development projects, industrial development projects, the Investment Incentive Program, the Small Business Incubator Program, the Growth Investment Program, and Local Economic Development Organization Grants may also be used for information and high technology infrastructure.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill provides that funds provided by the Indiana Department of Commerce (IDOC) or the Indiana Development Finance Authority (IDFA) may be used for construction, acquisition, repair, extension or completion of infrastructure, or a capital project associated with information and high technology infrastructure. This provision applies to grants, loans, and guarantees provided to both local units of government and private entities. While this provision expands the category of projects that may be funded, it does not necessarily increase IDOC or IDFA expenditures. However, if more funds are used for information and high technology infrastructure, less may be available for other purposes.

The bill provides that the IDOC and IDFA may fund information and high-tech infrastructure for rural development projects and industrial development projects. It further specifies that the Investment Incentive Program, the Small Business Incubator Program, the Growth Investment Program (GRIP), and Local Economic Development Organization (LEDO/REDO) Grant Program may be used to provide grants, loans or guarantees for information and high technology infrastructure:

Investment Incentive Program: This revolving loan program is administered by the IDOC. The program has not received an appropriation since FY 1991, although the IDOC makes about two loans each year from the

Investment Incentive Fund.

Small Business Incubator Program: This program was established by P.L. 20-1989. The Indiana Small Business Development Corporation administers this program, although no appropriation was made to fund this program in FY 2000 and FY 2001.

Growth Investment Program: The Growth Investment Program (GRIP) Fund was established by P.L. 27-1987 to provide grants of up to \$250,000 for job creation projects in economically distressed counties in Indiana. This bill would allow additional entities to become eligible for GRIP Fund grants, however, no appropriation has ever been made for this program.

Local Economic Development Organization Grants: Administered by the IDOC, \$2 M was appropriated by for the Local Economic Development Organization (LEDO/REDO) Matching Grant Program for the FY 1999-20001 biennium. \$1.99 M of this amount has already been awarded by the Department to 47 projects.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill may allow local units of government to receive funding from the IDOC and IDFA for information and high technology infrastructure projects that may not otherwise have been funded. However, this bill may not necessarily increase the total amount of funding which is made available to local units.

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

Local Agencies Affected:

Information Sources: Leslie Richardson, Director, Division of Research, Indiana Department of Commerce, (317) 232-8962; Clifford Robinson, Indiana Small Business Development Corporation, (317) 264-2820.