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**FISCAL IMPACT STATEMENT**

**LS 7406**  
**BILL NUMBER: SB 523**

**NOTE PREPARED: Feb 19, 2009**  
**BILL AMENDED: Feb 19, 2009**

**SUBJECT:** High Speed Internet Service Initiative.

**FIRST AUTHOR:** Sen. Hershman  
**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires the Economic Development Corporation to develop a high speed Internet service deployment and adoption initiative, including the creation of a statewide geographic information system of telecommunications and information technology services.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Department of State Revenue (DOR):* This bill will result in an increase in administrative costs for the DOR by requiring the DOR to revise sales tax forms as well as update computer software to incorporate the exemption. It is estimated that the DOR will be able implement this provision with its existing level of resources.

*(Revised) Indiana Economic Development Corporation (IEDC):* This bill requires the IEDC to develop a High Speed Internet Service Deployment and Adoption Initiative that includes the creation of a statewide geographic information system (GIS) of available telecommunications and information technology services, including high speed Internet service. The IEDC could download the GIS software for free from the Indiana Office of Technology. Then, at least one staff person at IEDC could register for a GIS class that is offered almost every month to state employees for a one-time cost of \$100. Other costs related to implementing the High-Speed Internet Service Deployment and Adoption Initiative are unknown.

The IEDC is required to utilize the GIS to map the availability of high speed Internet service, including the percentage of households that have access to high speed Internet service by census blocks, and to identify areas where high speed Internet service is inadequate or unavailable. The IEDC is required to update the GIS at least every six months.

The IEDC may contract with one or more organizations to fulfill the provisions of this bill. Also, the bill specifies that the IEDC should consult with the Indiana Finance Authority to avoid unnecessary duplication of efforts. IC 8-1-33 established the Indiana Broadband Development Program to be administered by the Indiana Finance Authority in 2005. Due to administrative constraints, this program has not been active.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DOR: IEDC.

**Local Agencies Affected:**

**Information Sources:** Jim Sparks, Indiana Office of Technology, 317-234-5889, Jennifer Alvey, Indiana Finance Authority, 317-233-4338; Tom Conley, DOR, 317-232-2107.

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