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FISCAL IMPACT STATEMENT

LS 7486

BILL NUMBER: SB 478

NOTE PREPARED: Feb 15, 2011

BILL AMENDED:

SUBJECT: State Fair Foundation.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR: Rep. Cherry

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes the State Fair Commission (SFC) to establish a nonprofit subsidiary corporation to solicit and accept private funding. Members of the board of directors of the subsidiary corporation are the members of the SFC. The bill requires the State Board of Accounts (SBA) to annually audit a subsidiary corporation.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *State Fair Commission.* Employees of the State Fair Commission must provide administrative support for the subsidiary corporation. The SFC should be able to provide support given the SFC's existing level of resources.

State Board of Accounts (SBA). The SBA must annually audit the subsidiary corporation. This requirement will add additional administrative expenses to the SBA; however, it is unlikely that the SBA will need to hire additional staff to fulfill the requirements of the bill.

Background. The bill requires the SFC to report the activities and financial condition of the nonprofit subsidiary corporation each year at the first meeting of the State Fair Advisory Committee.

The corporation must use money received to carry out the purposes and programs of the State Fair. The corporation must report to the Budget Committee each year the use of money and the balances in any accounts or funds established by the corporation. The corporation may deposit money received in an account or fund that is administered by the corporation and not part of the State Treasury.

The subsidiary corporation is governed by a board of directors. The directors are the members of the SFC.

Explanation of State Revenues: The SFC may establish a nonprofit subsidiary corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code to solicit and accept private funding, gifts, donations, bequests, devises, and contributions. The amount of money that will be donated to the corporation is indeterminable.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SFC; State Fair Advisory Committee.

Local Agencies Affected:

Information Sources: SFC.

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