

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7114**

**BILL NUMBER:** HB 1495

**NOTE PREPARED:** Jan 13, 2013

**BILL AMENDED:**

**SUBJECT:** Historic Hotel Preservation and Maintenance Fund.

**FIRST AUTHOR:** Rep. Arnold L

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires that money in the West Baden Springs historic hotel preservation and maintenance fund must be used for only certain purposes. (Current law requires that only the interest accruing in the fund must be used for those purposes.) It provides that, for the state fiscal year beginning July 1, 2013, and ending June 30, 2014, the total money withdrawn from the fund to pay claims may not exceed 5% of the amount of money in the fund at the beginning of that fiscal year. It provides that for any subsequent fiscal year the department may not pay a claim in that fiscal year until the fund has a balance of at least \$20.0 M and the total money withdrawn from the fund to pay claims in that fiscal year may not exceed 5% of the amount of money in the fund at the time the balance is at least \$20.0 M.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Summary:* This bill could increase distributions from the West Baden Springs Historic Hotel Preservation and Maintenance Fund to the owner of West Baden Springs Hotel. Subject to the General Assembly making an appropriation and DNR approval, the increase in expenditure is estimated to be \$1.0 M annually beginning in FY 2014.

*Background:* Under current law, the fund receives 19% of the riverboat wagering tax paid by the French Lick Casino. If the balance in the fund exceeds \$20.0 M, this revenue must be distributed to the state General Fund. The fund is administered by the Department of Natural Resources (DNR). Current statute authorizes the General Assembly to appropriate interest in the fund to the DNR only to: (1) maintain the parts of the West Baden Springs Hotel; and (2) maintain the grounds surrounding the West Baden Springs Hotel. The bill does not change the purposes for which the distributions could be made.

As of June 30, 2012, the fund had a balance of \$20.3 M. In FY 2012 the fund received interest revenues of \$0.4 M. Since its inception, the DNR has not approved any expenditures from the fund. As the fund has reached the \$20.0 M threshold, the wagering tax revenues are being deposited in the state General Fund.

**Explanation of State Revenues:** If the General Assembly makes an appropriation and DNR approves expenditures out of the Historic Hotel Preservation and Maintenance Fund (*as stated above*), it would result in reducing the balance in the fund below the \$20.0 M threshold. If that happens, riverboat wagering tax revenue that would have been distributed to the state General Fund will be deposited into the fund to the extent that the fund balance reaches \$20.0 M. It is estimated that the state General Fund would experience a loss of \$0.6 M in FY 2014 and \$0.9 M in FY 2015 and years thereafter.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Natural Resources.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Randhir Jha, (317)232-9556.