

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

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: HB 1123

NOTE PREPARED: Apr 6, 2021

BILL AMENDED: Apr 5, 2021

SUBJECT: Legislative Oversight of Certain Fiscal and Emergency Matters.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR: Sen. Glick

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: *Severable*– The bill specifies that the bill is severable.

Emergency Sessions– The bill provides that the General Assembly may convene in an emergency session if the Legislative Council adopts a resolution making certain findings concerning a state of emergency declared by the Governor. It specifies the maximum length of an emergency session. The bill provides that in an emergency session the General Assembly may enact only bills relating to the agenda stated in the Legislative Council's resolution. The bill provides that the General Assembly may adopt concurrent resolutions and each house may adopt simple resolutions during an emergency session.

Legislative State of Emergency Advisory Group– The bill establishes the Legislative State of Emergency Advisory Group.

Economic Stimulus Fund– The bill creates the Economic Stimulus Fund (ESF) for the deposit of all discretionary funds received by the state. It defines "discretionary funds" to mean federal economic stimulus funds received under federal legislation granting the state authority to determine the amounts and manner in which the federal economic stimulus funds may be expended. The bill also provides that discretionary funds deposited into the ESF during a period in which the General Assembly is convened in a regular session, an emergency session, or a special session may not be allotted or expended unless appropriated by the General Assembly or reviewed by the Budget Committee. It provides that before discretionary funds deposited into the ESF during a period in which the General Assembly is not convened in a regular session, an emergency session, or a special session may be allotted to or expended by a state agency or instrumentality, the allotment or expenditure must be reviewed by the Budget Committee. The bill provides that discretionary funds deposited into the ESF may not be transferred, assigned, or otherwise removed from

the ESF by the State Board of Finance, the Budget Agency, or any other state agency except as permitted under the provisions of the statute. The bill exempts federal economic stimulus funds obligated or expended before April 29, 2021, from the application of the statute.

Change in Penalty– The bill provides that a violation of the disaster statute (IC 10-14-3) or an order authorized by that statute is a Class B infraction instead of a Class B misdemeanor.

Effective Date: Upon passage.

Explanation of State Expenditures: *Economic Stimulus Fund*– The bill establishes the Economic Stimulus Fund (ESF). The bill provides that discretionary funds deposited into the ESF during a regular or special session of the General Assembly would have to be appropriated in order to be allotted or expended. If the General Assembly is not convened in regular or special session, any allotment or expenditure of discretionary funds in the ESF would be subject to review by the Budget Committee. The Budget Committee would likely be able to review potential allotments and expenditures from the ESF during regularly scheduled meetings. The Auditor of State would be required to set up separate accounts within the ESF for each separate federal stimulus legislation enacted. The Auditor would be able to create the accounts as a routine matter of business.

Emergency Sessions– An additional meeting of the Legislative Council would require expenditures of approximately \$4,300 in order to approve of an emergency session under the bill. If approved, an emergency session would be limited to the amount of time as specified by the Legislative Council’s authority to determine the length and frequency of legislative sessions under Article 4, Section 9 of the state Constitution. As an example, a two-day emergency session would likely require an expenditure of just less than \$69,000.

Legislative State of Emergency Advisory Group– The Advisory Group would consist of 10 members of the General Assembly. The Advisory Group would meet during either a state of emergency that the Legislative Council has determined has a statewide impact or upon the call of the chair. Each member is entitled to receive the same per diem, mileage, and travel allowance paid to legislative members of interim study committees established by the Legislative Council. The current per diem for legislative members of interim study committees is \$183 and mileage is reimbursed at \$0.56 per mile.

Additional Information– Under current law, a special session called by the Governor under the authority provided in Article 4, Section 9 of the Constitution of the State of Indiana, cannot last for more than 30 session days or 40 calendar days following the day the special session commences.

Explanation of State Revenues: *Economic Stimulus Fund*– All discretionary federal economic stimulus funds received and not committed to expenditure before April 29, 2021, would be deposited into the ESF. The fund would be separate from the state General Fund and other state funds or accounts.

Change in Penalty– Revenue to the Common School Fund may be reduced if an infraction judgment rather than a fine is assessed, however revenue to the state General Fund may increase. (Fines are deposited in the Common School Fund while infraction judgments are deposited in the state General Fund.) However, any changes are likely to be small. Currently, the maximum judgment for a Class B misdemeanor is \$1,000. Under this bill, an offender could pay an infraction judgment of \$1,000. Revenue from court fees may also be reduced. However, the amount is likely to be small.

Explanation of Local Expenditures: *Change in Penalty*– Costs to local governments might be reduced since no term of imprisonment is imposed, however, any cost reduction is likely to be small. A Class B

misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Change in Penalty*– The county general fund and city or town general funds may receive less revenue from fees. However, the amount is likely to be small.

State Agencies Affected: General Assembly; Governor’s Office; State Budget Committee; Auditor of State.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: *House and Senate Journal Indices*; 2019 Legislative Council Budget.

Fiscal Analyst: Chris Baker, 317-232-9851.