

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

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FISCAL IMPACT STATEMENT

LS 6293

BILL NUMBER: HB 1199

NOTE PREPARED: Mar 7, 2024

BILL AMENDED: Feb 27, 2024

SUBJECT: Economic Enhancement District.

FIRST AUTHOR: Rep. McGuire

FIRST SPONSOR: Sen. Baldwin

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill contains the following provisions:

- Requires the legislative body to provide notice and conduct a public hearing before a proposed economic enhancement district (EED) may be established.
- Amends the definition of "economic enhancement project".
- Amends the required contents of an ordinance to establish an EED.
- Increases the number of members of an economic enhancement board from eight to nine and amends the composition of the board.
- Requires an EED to expire not later than 10 years from the date of the adoption of an ordinance.
- Repeals a provision that allows an EED to be extended.
- Requires that an ordinance establishing an EED must be adopted on or before December 31, 2024.
- Provides that if the legislative body of a city has adopted an ordinance to establish an EED before the effective date of this bill, that ordinance shall be void, but may be revised and reenacted by the legislative body by the adoption of a new ordinance, which must comply with the provisions added in the bill.
- Makes a technical correction.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The City-County Council will have additional expense for printing and postage under this bill. The clerk of the council will be required to mail a notice regarding the proposed EED to each owner of real property within the proposed EED.

Explanation of Local Revenues: This bill makes various changes to the EED permitted under current law. The fiscal impact depends on whether the council creates the EED, the size and boundaries of the EED, and the amount of the assessments placed on real property by the EED board, as compared to those under current law.

The changes to the EED include the following:

The bill voids the ordinance already adopted that establishes the EED but permits the City-County Council to adopt a revised ordinance by December 31, 2024.

The boundaries of the EED may extend beyond the mile square but may not exceed a two-mile square. Each boundary must be equidistant from the center of the city. (Currently, the EED may not exceed the boundaries of the mile square.)

Homesteads and multi-unit housing property will be exempt from the assessment, except that the owners of such property may opt-in to include their property in the district assessment at a flat rate of \$250 each. In addition, the owners of property located outside of the EED boundaries may also opt-in to include their property in the district assessment.

The total benefits assessment will be limited to \$5.5 M annually.

The EED may not be renewed after its expiration.

The economic enhancement board must consist of nine members, including four members appointed by the Governor and one mayoral appointee. (Currently, the board must consist of eight members. The bill adds two additional members to be appointed by the Governor and reduces the mayor's appointees by one.)

Additional Information: Under current law, the City-County Council may create an EED within the downtown mile square. If created, the EED will have an eight member board that will be able to place special benefits assessments on taxable real property within the EED to pay for economic enhancement projects.

State Agencies Affected:

Local Agencies Affected: City of Indianapolis.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.