

**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 6969**

**BILL NUMBER:** HB 1345

**NOTE PREPARED:** Jan 3, 2024

**BILL AMENDED:**

**SUBJECT:** Tourism Improvement Districts.

**FIRST AUTHOR:** Rep. Baird

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** Local

**Summary of Legislation:** This bill provides that a person may circulate a petition to create a tourism improvement district (district) within the territory of a county, city, or town and specifies the contents of the tourism improvement district plan that must be filed with a petition to establish a district.

This bill provides that, after a hearing on a petition to establish a district, a county, city, or town legislative body may adopt the ordinance establishing the district only if it determines that the petition has been signed by at least 50% of the owners of real property or businesses within the district who will pay the special assessment. It provides that owners of real property or businesses located within a district may be charged a special assessment to fund improvements and other district activities. It also specifies the contents of the ordinance establishing a district and the length of time for which a district may exist.

The bill excludes property that receives a homestead standard deduction from inclusion within a district. The bill allows a district to issue bonds, and it requires the county, city, or town legislative body to contract with a nonprofit district management association to administer and implement the district's activities and improvements.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *County Auditors and Clerk Treasurers:* The bill's provisions may

result in an increase in both the administrative workload and financial costs for both auditors and clerk treasurers, depending on if the tourism improvement district is being proposed for an unincorporated part of the county or in a municipality, respectively. The auditors and clerk treasurers would serve as the initial recipient for the petitioner's request to establish a tourism improvement district. Additionally, the auditors and clerk treasurers would be tasked with handling the notice for the public hearing on the request, as well as mailing a copy of the notice to each individual property owner in the proposed district. The actual cost of the mailing would be dependent on the number of identified property owners in the district.

*County Councils and City or Town Councils:* The bill's provisions may result in an increase in both the administrative workload and financial costs for the legislative body of the respective county or city or town, depending on if the tourism improvement district is being proposed for an unincorporated part of the county or in a municipality. In addition to the routine administrative function of conducting a public hearing, the council would have to verify that the petition requesting the proposed district was signed by at least 50% of the owners in the district who would be subject to paying the special assessment. Additionally, the council would have to determine - in the ordinance approving the district - the manner in which the special assessment is to be levied. Furthermore, the legislative body would be tasked with contracting with a district management association to administer the district. The actual cost of the contract would likely be dependent on factors such as the number of identified property owners in the district and the approved duration of the district.

*Additional Information:* Any bonds issues on behalf of the district to fund improvement do not constitute an indebtedness as it pertains to constitutional or statutory debt limitations of the underlying county or municipal unit in which the district is located.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** County auditors; clerk treasurers; county councils; city and town councils.

**Information Sources:**

**Fiscal Analyst:** James Johnson, 317-232-9869.