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FISCAL IMPACT STATEMENT

LS 7059

BILL NUMBER: HB 1387

NOTE PREPARED: Feb 5, 2024

BILL AMENDED:

SUBJECT: Housing Development.

FIRST AUTHOR: Rep. Miller D

FIRST SPONSOR: Sen. Rogers

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes various changes to the Residential Housing Infrastructure Assistance Program. It expands the definition of "economic development facilities" applicable to the economic development and pollution control statutes to include facilities for housing for purposes of redevelopment commission programs outside Indianapolis for age-restricted housing or residential housing development. It also makes a technical correction.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Indiana Finance Authority (IFA):* The bill would remove projects that assist communities in preparing for shovel ready housing from the list of eligible projects that are to be considered in the IFA's priority ranking system when making loans from the Residential Housing Infrastructure Assistance Revolving Fund. This provision might result in a minor decrease in the administrative workload for the IFA to the extent that this eliminated category would result in fewer loan applications being submitted to and reviewed by the IFA.

Explanation of State Revenues:

Explanation of Local Expenditures: *Residential Housing Infrastructure Assistance Program:* The bill clarifies the definition of eligible local entities that can receive funding through the Residential Housing Infrastructure Assistance Program. In HEA 1005-2023, funding from the program was to be allocated 70% to projects in municipalities with a population of less than 50,000 and 30% to all other political subdivisions. This bill changes the reference of "municipalities" to "political subdivisions" instead. So, this provision would result in 70% of the funding to participants engaged in housing infrastructure projects benefitting

political subdivisions with a population of less than 50,000 and 30% going to all other political subdivisions.

Economic Development Facilities: This bill's provisions update the definition of "economic development facilities" applicable to the economic development and pollution control statutes to include age-restricted housing and residential housing development facilities that may be part of redevelopment commission programs outside Indianapolis. Expanding the definition to include these particular types of facilities may result in greater expenditures for county and municipal redevelopment commissions since the commissions may issue bonds to fund the development of infrastructure in the allocation areas where these facilities would be located.

Additional Information: As referenced in this bill's provisions, a political subdivision is noted as being a municipal corporation or a special taxing district; a regional water, sewage, or solid waste district; a local public improvement bond bank; a public water utility; a conservancy district; or a drainage district

Explanation of Local Revenues:

State Agencies Affected: Indiana Finance Authority.

Local Agencies Affected: Political subdivisions as defined in IC 5-1.2-2-57; County and municipal redevelopment commissions.

Information Sources:

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