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FISCAL IMPACT STATEMENT

LS 6529

BILL NUMBER: HB 1069

NOTE PREPARED: Apr 4, 2023

BILL AMENDED: Jan 24, 2023

SUBJECT: Airports.

FIRST AUTHOR: Rep. Cherry

FIRST SPONSOR: Sen. Byrne

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill voids an administrative rule concerning eligibility of projects for which funding is available from the Airport Development Grant Fund (ADGF) and relocates (with stylistic changes) the contents of the voided administrative rule. The bill requires the Indiana Department of Transportation (INDOT), in determining the match for a state grant for which federal grants are not available to: (1) consider the airport classification and the type of project; and (2) require matching funds of at least 25%.

Effective Date: July 1, 2023.

Explanation of State Expenditures: Summary - This bill could increase Airport Development Grant Fund (ADGF) expenditures to the extent INDOT approves grant applications at a lower applicant match than the current 50% match requirement. Increases in ADGF expenditures would depend on the decision of INDOT administrators concerning submitted applications and the determined applicant match required to draw down state funds.

Additional Information - The bill specifies that state grants made from the ADGF would require at least a 25% applicant match. Under current Administrative Code, the state award cannot exceed the amount provided by the applicant. As a result, this bill could increase state expenditures from the ADGF to the extent INDOT approves grant applications with a lower applicant match than the current 50% maximum state award.

The Airport Development Grant Fund (ADGF) receives revenue from the excise tax paid on aviation fuel (\$0.20 per gallon). Annually, the ADGF receives between \$3.3 M and \$4.4 M, depending on aviation fuel consumption.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill decreases the maximum applicant match for state funds from the ADGF. As a result, locally-owned airport expenditures could decrease to finance projects approved for ADGF awards. Any change in local expenditures would depend on INDOT's decision to select a project and the match determined by the Department.

Additionally, increases in ADGF grants could decrease the total projects that receive state assistance. As a result, locally-owned airports could see a decrease in state awards and a change in local expenditures on airport development projects. Any impact on local expenditures would depend on local administrators' decisions to move forward with airport development projects if they do not receive state grants.

Explanation of Local Revenues: See *Explanation of Local Expenditures*.

State Agencies Affected: INDOT.

Local Agencies Affected: Municipally and locally-owned airports

Information Sources: Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2022.

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