LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS FISCAL IMPACT STATEMENT

NOTE PREPARED: Nov 29, 2025

BILL NUMBER: HB 1101 BILL AMENDED:

SUBJECT: Regional Economic Development.

FIRST AUTHOR: Rep. Heine BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

DEDICATED FEDERAL

<u>Summary of Legislation:</u> This bill requires the Indiana Economic Development Corporation (IEDC) to designate 15 economic development regions throughout Indiana. It establishes a regional economic development commission (commission) for each economic development region. The bill provides for the membership of each commission. It requires each commission to establish or designate a primary administrative entity (entity) to carry out a strategic comprehensive economic development plan for the region. It sets forth the duties of a commission and entity.

Effective Date: July 1, 2026.

<u>Explanation of State Expenditures:</u> The bill would increase the IEDC's workload to administer the regional economic development program. The IEDC should be able to meet the bill's requirements within existing resources.

The bill requires the IEDC to do the following:

- Designate 15 economic development regions throughout the state.
- Conduct periodic reviews of the economic development region boundaries.
- Approve a strategic comprehensive economic development plan for each region.
- Develop an allocation method for tax credits, state incentives, and grants among regions.
- Provide support to each regional economic development commission and primary administrative entity.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill would increase the workload of regional development authorities and primary administrative entities. In an economic development region whose boundaries align with an existing development authority, the members of the governing body of the authority will serve as members of the regional economic development commission. In all other regions, the county and city executives will appoint the commission members. Commission members will not receive a salary per diem, travel reimbursement, or reimbursement for other expenses.

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The bill requires each regional economic development commission to do the following:

- Develop and maintain a strategic comprehensive economic development plan.
- Review and update the plan every five years.
- Publish the plan, key performance data related to the plan, and meeting minutes on their website.
- Designate or establish a primary administrative entity.

The bill does not specify what entities may be designated as a primary administrative entity. It requires each primary administrative entity to do the following:

- Carry out the strategic comprehensive economic development plan.
- Manage resources in the region.
- Coordinate with other local organizations in the region.
- Serve as the primary point of contact for the IEDC, including providing performance reviews and financial reports to the IEDC.

Explanation of Local Revenues:

State Agencies Affected: Indiana Economic Development Corporation.

<u>Local Agencies Affected:</u> Regional development authorities, counties, cities.

Information Sources:

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