

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

LS 6531
BILL NUMBER: SB 203

NOTE PREPARED: Dec 26, 2025
BILL AMENDED:

SUBJECT: Indiana Economic Development Corporation.

FIRST AUTHOR: Sen. Deery
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Examination Requirements and Costs:* The bill requires the State Board of Accounts to act as the economic development ombudsman for the Indiana Economic Development Corporation (IEDC) and a nonprofit subsidiary of the IEDC and to designate an individual to serve as the ombudsman. The bill sets forth the ombudsman's duties, including the recommendation of policies to the General Assembly concerning economic development and transparency matters.

The bill allows the ombudsman (subject to the state examiner's approval) to employ or contract with assistants necessary to assist the ombudsman in carrying out the ombudsman's duties. The bill also establishes circumstances under which the ombudsman is required to adopt a budget before the ombudsman's costs, including the costs of any assistants, in carrying out the ombudsman's duties are paid from appropriations made to the IEDC and when the ombudsman may bill the IEDC for those costs without using the budget procedure added by this bill.

Appointment: The bill provides for appointment to the board of the IEDC of two nonvoting, advisory members who are members of the General Assembly.

Dashboard Establishment: The bill requires the IEDC to establish a dashboard that includes longitudinal representations of certain economic development data derived from elements required to be included in the economic incentives and compliance report.

Utility Services Analysis Requirements: The bill requires the IEDC to analyze the potential impact of a proposed economic development investment on the costs to provide the following utility services to ratepayers: (1) Water. (2) Wastewater. (3) Electricity. (4) Natural gas.

The bill specifies that in performing the analysis, the IEDC must consider each of the following: (1) The existing utility infrastructure available to serve the project. (2) Any new utility infrastructure needed to serve the project. (3) Water resource availability for the project.

The bill provides that if a proposed economic development investment is projected to negatively impact

ratepayers, the IEDC is required to develop and implement a mitigation plan. The bill also allows the IEDC to consult with certain state agencies, utilities providing utility services to the project area, local units of government, and consumer and ratepayer advocates in performing the analysis and mitigation requirements added by this bill.

Effective Date: Upon passage; July 1, 2026.

Explanation of State Expenditures: *Summary* - The bill requires the IEDC to do the following:

- 1) pay for the examination costs of the ombudsman,
- 2) create a dashboard to present certain economic development data, and
- 3) analyze the potential impact of projects on utility costs.

These requirements represent an extra workload and expenditure for the IEDC. If existing staffing and resource levels are currently being used to capacity, they may be insufficient for the IEDC to fully implement the requirements. The extra funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Examination Requirements and Costs: The bill provides that the State Board of Accounts shall act as the ombudsman for the IEDC and its nonprofit subsidiary. The bill also authorizes the ombudsman to employ or contract with assistants to carry out the duties. The bill requires the ombudsman's budget to be approved by the State Budget Agency if it exceeds \$99,000. These requirements would increase the workload and expenditures of the State Board of Accounts. The IEDC would pay for the direct and indirect examination costs. [In FY 2024 and FY 2025, the IEDC had \$0.23 M and \$0.19 M, respectively, of General Fund expenditures for professional accounting services.]

Analysis Requirements for IEDC: The bill requires the IEDC to analyze the potential impact of a proposed economic development plan on ratepayers' utility service costs. The bill specifies the aspects that IEDC must consider in performing the analysis. The bill also requires the IEDC to develop and implement a mitigation plan if a proposed economic development investment could negatively impact ratepayers. It allows the IEDC to consult with certain state agencies, utilities, local government units, and consumer and ratepayer advocates in performing the required analysis and mitigation.

Appointment: The bill adds two nonvoting members of the General Assembly to the IEDC board, appointed by the Speaker of the House of Representatives and President Pro Tempore of the Senate. The legislative members of the board would receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees. These expenses would be paid from the appropriation made to the Legislative Council or the Legislative Services Agency.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IEDC; State Board of Accounts; General Assembly.

Local Agencies Affected:

Information Sources: Indiana Transparency Portal, Expenditures Data,
<https://hub.mph.in.gov/dataset/expenditures-data>.

Fiscal Analyst: Qian Li, 317-232-9671.