

FISCAL NOTE

The fiscal impact, in the form of increased impact assistance payment expenditures from the General Fund, is indeterminable due to the unknown number and scope of future industrial projects.

Impact assistance payments to counties are paid out of the General Fund share of sales and use taxes, up to a specified maximum percentage of the total estimated material cost of an industrial project in the county.

This bill allows the Industrial Siting Council (Council) to increase the impact assistance payment maximum allowable percentage to not more than 2.76 percent for industrial facilities with total estimated materials costs exceeding \$350 million. The Council may increase the impact assistance payment percentage if it finds that the maximum allowable percentage is insufficient to mitigate impacts of that project. The Council shall forward the proposed increased percentage to the State Loan and Investment Board for consideration.

While the fiscal impact is indeterminable due to the unknown number and scope of future industrial projects, estimates of potential fiscal impact at two example total estimated materials costs are provided below:

- On an approved industrial project with total estimated material costs of \$850 million, the increase in impact assistance payments from the General Fund could be as much as \$6.46 million, if the Council uses the discretion given in the bill to raise the maximum allowable percentage from 2.0 percent to 2.76 percent.
- On an approved industrial project with total estimated material costs of \$1.0 billion, the increase in impact assistance payments from the General Fund could be as much as \$12.6 million, if the Council uses the discretion given in the bill to raise the maximum allowable percentage from 1.5 percent to 2.76 percent.

This bill shall only apply to impact assistance payments for industrial facility permit applications submitted on and after the bill's effective date.

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