

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6283

BILL NUMBER: HB 1106

NOTE PREPARED: Mar 1, 2022

BILL AMENDED: Feb 28, 2022

SUBJECT: Eminent Domain.

FIRST AUTHOR: Rep. Goodrich

FIRST SPONSOR: Sen. Buck

BILL STATUS: As Passed Senate

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes changes to condemnation proceedings in which appraisers are appointed after December 31, 2022. It requires a city or town to obtain the county executive's approval of a condemnation of property within the unincorporated area of the county, unless the county executive waives review of the condemnation.

Effective Date: January 1, 2023; July 1, 2023.

Explanation of State Expenditures: INDOT will be required to compensate the defendant's property or easement to 120% of fair market value of the amount of awarded damages, as well as in cases of condemnation taking a fee simple interest in the property.

Explanation of State Revenues: *Civil Actions:* A civil costs fee of \$100 would be assessed when a civil case is filed. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A portion of the fee revenue is deposited into the State User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures: *Defendant Compensation* - Counties and municipalities will be required to compensate the defendant's property or easement to 120% of fair market value of the amount of awarded damages, as well as in cases of condemnation taking a fee simple interest in the property. Specifically, counties will need to provide compensation when the property will be used for a public highway or by a municipality when the property will be used for public use.

Unincorporated Areas - The bill provides that if the municipality seeks to condemn property within the unincorporated area of two or more counties, then the executive of each county in which the unincorporated property is located must approve a petition. The county executive must conduct at least one public hearing on the petition after providing actual notice to the affected landowners and vote to approve or reject the petition. These meetings should be able to be conducted with minimal impact on local expenditures and/or workload.

This bill also permits a municipality to petition the circuit or superior court for judicial review of findings of the county executive. This may increase a municipality's costs associated with eminent domain condemnation proceedings and increases the likelihood that a municipality may petition the courts for judicial review. The overall impact of these provisions may be significant for municipalities engaged in eminent domain condemnations in unincorporated areas.

Civil Actions – This bill could increase the number of civil suits filed in Indiana courts, creating an increase in workload for the courts system. This additional workload is within the system's routine administrative functions and should be able to be met with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of Local Revenues: *Civil Actions:* If additional civil actions occur and court fees are collected, local governments would receive additional revenue from both a portion of the civil costs fee and other fees that would be collected.

State Agencies Affected: INDOT.

Local Agencies Affected: Municipalities, county executive, trial courts, city and town courts.

Information Sources:

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