

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7123

BILL NUMBER: HB 1141

NOTE PREPARED: Jan 6, 2004

BILL AMENDED:

SUBJECT: Sewer Liens on Rental Property.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a municipality that operates a sewage works to require a security deposit. It provides that a lien for unpaid sewage fees does not attach against real property if someone other than the owner occupies the property, and that a lien that attached before July 1, 2004, to property occupied by someone other than the owner is void. It repeals a provision allowing a sewer lien to attach against real property occupied by someone other than the owner.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Current statute allows a municipality that operates a sewage works to enact an ordinance that requires the owners, lessees, or users of property served by the works to pay a deposit to ensure payment of sewer fees. This bill would make the ordinance a requirement.

The deposit fee is to be based on a three-month average payment due from the property served by the sewage works and retained in a separate account. The deposit is used when an owner, lessee, or user fails to pay an outstanding sewage works bill. This provision would reduce the amount of outstanding funds owed to a sewage works.

However, the bill will no longer allow certain entities after June 30, 2004, to file a lien on real property for delinquent sewer charges left by someone, other than the owner, occupying the property. Those entities include: sewage works; regional water, sewage, and solid waste districts; and boards of sanitary commissioners (or board of public works for a consolidated city). It also makes such liens filed and not released before July 1, 2004, void and unenforceable. These latter provisions would reduce the number of options that a municipality has in collecting delinquent sewer charges, which could cause a reduction in the amount of revenue collected from such delinquent charges.

State Agencies Affected:

Local Agencies Affected: Municipal sewage works; regional water, sewage, and solid waste districts; and boards of sanitary commissioners (or board of public works for a consolidated city) .

Information Sources:

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