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FISCAL IMPACT STATEMENT

LS 7245

BILL NUMBER: HB 1464

NOTE PREPARED: Jan 10, 2007

BILL AMENDED:

SUBJECT: Various Matters Concerning Property.

FIRST AUTHOR: Rep. Hinkle

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

Persons Prohibited From Bidding At A Tax Sale- The bill expands the list of persons who are prohibited from bidding on property at a tax sale to include: (1) persons who have been convicted of maintaining a common nuisance; and (2) persons on whom a fee has been imposed for multiple law enforcement runs to the person's property. The bill provides that persons who are prohibited from bidding at a tax sale are also prohibited from purchasing property at a sheriff's foreclosure sale.

Maintaining A Common Nuisance- The bill provides that a person who knowingly or intentionally maintains a building, structure, vehicle, or other place that is used for the purpose of prostitution, criminal gang activity, or criminal gang intimidation commits maintaining a common nuisance.

Landlord/Tenant Matters- The bill specifies certain acts that are included in the definition of "waste" under the landlord-tenant law. The bill provides that if a court finds that the tenant has committed or threatens to commit waste to a rental unit, the court must order the tenant to return possession of the dwelling unit to the landlord immediately. The bill provides that if a landlord obtains a court order to evict a tenant, the landlord may remove and dispose of the tenant's personal property in accordance with the court order, without delivering the personal property to a warehouseman. The bill repeals superseded provisions relating to storage of a tenant's personal property.

Criminal Activity Investigation Fee- The bill authorizes the prosecuting attorney to impose a criminal activity investigation fee on the owner of property if at least three reports substantiating the occurrence of certain types of criminal activity on the property have been filed by law enforcement officers during the preceding

12 months. The bill establishes certain restrictions on the imposition of the fee. The bill provides that if a fee remains unpaid for more than 30 days after it is billed to the property owner, the prosecuting attorney may certify the delinquency to the county auditor, who is required to place the total amount certified on the tax duplicate for the property as a special assessment. The bill provides that the total amount, including accrued interest, is collected in the same manner as delinquent taxes are collected.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Maintaining A Common Nuisance-* Under the bill, culpable maintenance of either a building, structure, or vehicle that fosters either gang activity or prostitution would be a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances.

Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Maintaining A Common Nuisance-* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: *Maintaining A Common Nuisance-* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Maintaining A Common Nuisance-* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

Criminal Activity Investigation Fee- Under the bill, a county would have the option to adopt an ordinance to set up an criminal activity investigation fee. In counties that have adopted the fee, the county prosecutor would be able to impose the fee on owners of property under the following conditions: (1) at least three criminal investigation reports have been filed by a law enforcement agency regarding substantiated criminal activity at a single location within a 12-month period and (2) the prosecutor provided notice to owner after the first two reports and 3) the third report was filed at least one month after the first report.

With certain exceptions, the fee would be assessed to the owner of the offending property. The fee would not be able to exceed \$1,000, and revenue from the fee would be placed in a county dedicated fund for distribution to the law enforcement agency that filed the reports substantiating the occurrence of the criminal activity.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Counties.

Information Sources:

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