

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6821

BILL NUMBER: SB 268

NOTE PREPARED: Jan 28, 2008

BILL AMENDED:

SUBJECT: Disposal of State Owned Real Estate.

FIRST AUTHOR: Sen. Charbonneau

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the Indiana Department of Administration (Department) may sell real property owned by the state by use of a request for proposals. It requires certain documentation to be kept if the Department negotiates a sale of state-owned real property with a potential buyer. It also provides that the Department may dispose of state-owned real property involved in a dispute by exchanging the state-owned real property for property of like value, regardless of the value of the state-owned real property to be transferred. (Under current law, such an exchange may not be made if the value of the state-owned real property exceeds \$10,000.)

The bill also provides that state-owned real property may also be exchanged for other real property to improve the state's ability to manage state property or to improve access to state property. It requires the Division of Historic Preservation and Archeology of the Department of Natural Resources to notify the Department of the results of its review of the disposition of state-owned real property not later than 30 days after receiving notice from the Department of the intent to dispose of the state-owned real property.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Summary-* The Department of Administration would incur some administrative expenses relating to this bill's provisions. The Department's current level of resources should be sufficient to implement this change. As of January 1, 2008, the Department had 27 vacant positions valued at \$683,306.

Background- This bill allows the Department to sell property through the request for proposals in addition to competitive bids and auction, which is permitted under current law. It requires that in order for the

Department to enter into negotiations with the respondent that has the highest offer, the negotiations must be documented. The negotiation documentation is subject to public inspection after the transfer of the property. Proper documentation includes the following:

- (1) A log of the date and time of each meeting with a respondent, including the respondent identity.
- (2) A description of the nature of all communications with a respondent.
- (3) A copy of all written, including electronic, communication with each respondent.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Administration.

Local Agencies Affected:

Information Sources:

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