

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7279**  
**BILL NUMBER: SB 255**

**NOTE PREPARED: Jan 2, 2009**  
**BILL AMENDED:**

**SUBJECT:** Landlord-Tenant Agreements.

**FIRST AUTHOR:** Sen. Breaux  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *Termination of Rental Agreement:* The bill allows a landlord to terminate immediately the rental agreement of a person charged with a criminal offense committed on the rental premises. The bill authorizes the landlord to obtain an emergency possessory order to evict a tenant charged with committing a criminal offense on the rental property.

*Civil Forfeiture of Rental Property:* The bill permits the civil forfeiture of rental property or receipts owned or possessed by a landlord if the landlord knowingly fails to report the commission of a criminal offense on the rental property or if the landlord receives rent that the landlord knows or reasonably should have known was derived from criminal activity committed on the rental property. The bill makes conforming amendments.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Court Fee Revenue:* If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

*Civil Forfeiture of Rental Property:* The proceeds from the sale of real property are distributed first to the county sheriff to cover sale costs; then to any person holding a valid lien or having an interest in the property; and then to the Common School Fund as ordered by the court.

**Explanation of Local Expenditures:** *Termination of Rental Agreement:* The bill adds an additional provision upon which a small-claims court can act and issue an emergency possessory order (EPO). Therefore, small-claims courts could see an increase in the number of filings of cases with respect to EPOs. The impact to caseloads and adjudicative administrative time is unknown and would depend on the number of additional filings and dispositions resulting from the bill.

Additionally, the impact to the number of cases filed and disposed in a given year would likely vary between small-claims jurisdictions.

*Civil Forfeiture of Rental Property:* The prosecuting attorney brings an action to seize real property and may retain an attorney who is not a deputy prosecuting attorney.

**Background:** For 2007, all Indiana small-claims courts disposed 274,490 cases. The number of landlord and tenant cases disposed is unknown.

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

*Civil Forfeiture of Rental Property:* A county sheriff may retain proceeds from the sale of real property to offset costs associated with its sale.

**State Agencies Affected:**

**Local Agencies Affected:** Circuit and Superior Courts (small-claims division); In Marion County, township small-claims courts; local law enforcement agencies; county, city, or town attorneys.

**Information Sources:** *Indiana Judicial Report 2007.*

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