

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7346

BILL NUMBER: SB 299

NOTE PREPARED: Feb 23, 2009

BILL AMENDED: Feb 9, 2009

SUBJECT: Condemnation of Public Utility Property.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill specifies the procedures by which a municipality may exercise the power of eminent domain to acquire the property of a public utility.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Summary-* The provisions of the bill could slow acquisitions of public utilities by municipalities under eminent domain. The effect on local expenditures would depend on local action.

Background- A municipality, before attempting to acquire or condemn a public utility property via eminent domain, would have to make a good faith offer to purchase the property. If a purchase price agreement were not reached, the bill would ensure that municipalities wishing to acquire or condemn a public utility could only do so via the public question, ordinance, and court route provided under current municipal utility law.

The bill would, however, remove the requirement of a public question under current municipal utility acquisition law if a municipality and utility enter into a mutually acceptable acquisition agreement. This provision could save parent counties of municipalities the cost of conducting special elections if a referendum did not occur at a general election.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipalities, circuit and superior courts.

Information Sources: IC 8-1.5-2.

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