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FISCAL IMPACT STATEMENT

LS 6454
BILL NUMBER: SB 106

NOTE PREPARED: Dec 11, 2009
BILL AMENDED:

SUBJECT: Disposal of State-Owned Real Estate.

FIRST AUTHOR: Sen. Charbonneau
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the Department of Administration (IDOA) may sell real property owned by the state by use of a request for proposals. It requires certain documentation to be kept if the IDOA negotiates a sale of state-owned real property with a potential buyer. It provides that the IDOA 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 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 also requires the Division of Historic Preservation and Archeology of the Department of Natural Resources to notify the IDOA of the results of its review of the disposition of state-owned real property not later than 30 days after receiving notice from the IDOA of the intent to dispose of the state-owned real property.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Indiana Department of Administration (IDOA):* The IDOA would incur some administrative expenses relating to this bill's provisions. The IDOA's current level of resources should be sufficient to implement this change with no additional appropriations, assuming near customary agency staffing and resource levels.

Division of Historic Preservation and Archeology (DHPA): This bill requires the DHPA to notify the IDOA regarding the results of the review of the disposition of state-owned real property within 30 days after

receiving notice from the IDOA of the intent to dispose of the property. The DHPA's current level of resources should be sufficient to implement this change with no additional appropriations, assuming near customary agency staffing and resource levels.

Background Information - This bill allows the IDOA to sell property through the request for proposals in addition to competitive bids and auction permitted under current law. It requires that in order for the IDOA to enter into negotiations with the respondent that has the highest offer, the negotiations must be documented. The negotiation documentation (excluding proprietary information) 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: IDOA; DHPA.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jessica Harmon, 232-9854.