

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

**LS 6276**

**BILL NUMBER:** HB 1174

**NOTE PREPARED:** Apr 1, 2011

**BILL AMENDED:** Mar 1, 2011

**SUBJECT:** Sale of Real Property by Local Government.

**FIRST AUTHOR:** Rep. Burton

**FIRST SPONSOR:** Sen. Glick

**BILL STATUS:** CR Adopted - 2nd House

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

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) The bill provides that a local government disposing agent may hire a broker to sell real property directly rather than using the bid process if: (1) the disposing agent publishes a notice of the determination to hire the broker; and (2) the property has been up for bid for at least 60 days before the broker is hired, and either no bids were received or the disposing agent has rejected all bids that were received. The bill provides that a political subdivision may sell real property to an abutting landowner without using a competitive bid process if the real property has not been assessed and the property was previously part of a public right-of-way. The bill allows a local government disposing agent to sell real property for less than 90% of the appraised value as determined by the average of the two appraisals of the property (instead of as determined by a joint appraisal of the property).

The bill allows a local government disposing agent to sell real property for purposes of an economic development project or to facilitate compatible land use planning for a value that is not less than the appraised value as determined by the average of the two appraisals (instead of as determined by a joint appraisal of the property), if the agent publishes notice of the amount of the offer to be accepted. It allows a local government disposing agent to lease real property for a value that is less than 90% of the appraised fair market rental as determined by the average of the two appraisals (instead of as determined by a joint appraisal of the property), if the agent publishes notice of the amount of the bid to be accepted.

The bill provides that if the disposing agent rejects all offers or bids, the agent must make a written determination for the rejection and explain why the bids or offers were rejected. The bill provides that a sale or transfer of property constituting a public easement or right of way under the statutes governing disposal of property by local government does not deprive a public utility of the use of the public easement or right of way if, at the time of the sale or transfer, the public utility is occupying and using all or part of that public

easement or right of way for the location and operation of its facilities.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chris Baker, 317-232-9851.