

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6976**

**BILL NUMBER:** HB 1540

**NOTE PREPARED:** Dec 31, 2010

**BILL AMENDED:**

**SUBJECT:** Preemption of Local Firearm Regulation.

**FIRST AUTHOR:** Rep. Speedy

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill prohibits, with certain exceptions, a political subdivision from regulating any matter pertaining to firearms, ammunition, and firearm accessories. It allows a person to file an action against a political subdivision if the person is adversely affected by an ordinance, measure, enactment, rule, or policy of the political subdivision that violates the law.

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

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary:* Persons “adversely affected” by a local ordinance, rule, policy, measure, etc., that is adopted or enforced by a political subdivision that violates the provisions of the bill could file an action in a court with competent jurisdiction.

*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.

**Explanation of Local Expenditures:** *Summary:* A court could award a person actual and consequential damages for being “adversely affected” by a political subdivision’s firearms regulation. In cases where the

court has judged in favor of the plaintiff, political subdivisions would have to pay monetary damages, which would increase expenditures.

Prevailing plaintiffs would be entitled to receive court costs (including fees) and reasonable attorneys' fees plus the greater of (1) actual damages or (2) liquidated damages equal to three times the plaintiff's attorney's fees.

Additionally, if a political subdivision needed to defend itself in an action brought by a person, the local unit may have to retain one or more attorneys to represent the defending unit. Political subdivisions that are defendants in an action could require additional expenditures for legal representation.

**Explanation of Local Revenues:** *Court Fee Revenue:* Local governments could see a reduction in revenue if more actions are found in favor of plaintiffs where a political subdivision is the defendant and the plaintiff is awarded court costs.

When civil actions occur, local governments receive revenue from the following sources. The county general fund receives 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 is deposited in the county general fund and 25% is 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.

**State Agencies Affected:**

**Local Agencies Affected:** Political subdivisions; trial courts.

**Information Sources:**

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