
SENATE BILL No. 54

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-24-1.

Synopsis: State university use of eminent domain. Provides that before a state supported college or university may acquire property that contains an operating business through the use of eminent domain, the college or university must pay the owner of the business the capitalized value of the estimated future earnings of the business after the date the college or university would acquire the property in addition to paying the owner of the property: (1) the fair market value of property; (2) the fair market value of all improvements pertaining to the property; and (3) any other damages to which the owner of the property is entitled. Specifies certain procedures that must be followed if a state supported college or university attempts to acquire property that contains an operating business through the use of eminent domain.

Effective: July 1, 2012.

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January 4, 2012, read first time and referred to Committee on Corrections, Criminal, and Civil Matters.

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Second Regular Session 117th General Assembly (2012)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

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SENATE BILL No. 54



A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-24-1-0.7 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2012]: **Sec. 0.7. As used in this chapter, "business" means any**
4 **lawful activity conducted primarily for the:**

- 5 (1) purchase, sale, lease, or rental of personal or real
6 property;
- 7 (2) manufacture, processing, or marketing of products,
8 commodities, or any other personal property; or
- 9 (3) sale of services to the public.

10 SECTION 2. IC 32-24-1-2.5 IS ADDED TO THE INDIANA CODE
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2012]: **Sec. 2.5. (a) As used in this chapter, "state educational**
13 **institution" means any university, college, or other educational**
14 **institution:**

- 15 (1) in Indiana;
- 16 (2) that provides programs of:
17 (A) collegiate or university education; or



- 1 **(B) other postsecondary education; and**
 2 **(3) that is supported in whole or in part by appropriations**
 3 **made by the general assembly.**
 4 **(b) The term includes the following:**
 5 **(1) Ball State University.**
 6 **(2) Indiana State University.**
 7 **(3) Indiana University.**
 8 **(4) Ivy Tech Community College.**
 9 **(5) Purdue University.**
 10 **(6) University of Southern Indiana.**
 11 **(7) Vincennes University.**
 12 SECTION 3. IC 32-24-1-3.5 IS ADDED TO THE INDIANA CODE
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2012]: **Sec. 3.5. (a) If a state educational institution attempts to**
 15 **acquire property that contains an operating business through the**
 16 **use of eminent domain, in addition to paying the owner of the**
 17 **property:**
 18 **(1) the fair market value of property;**
 19 **(2) the fair market value of all improvements pertaining to the**
 20 **property; and**
 21 **(3) any other damages to which the owner of the property is**
 22 **entitled;**
 23 **the state educational institution must pay the owner of the business**
 24 **the capitalized value of the estimated future earnings of the**
 25 **business after the date the state educational institution would**
 26 **acquire the property before the state educational institution may**
 27 **acquire the property.**
 28 **(b) For purposes of this chapter, if a state educational institution**
 29 **attempts to acquire property that contains an operating business**
 30 **through the use of eminent domain as described in subsection (a),**
 31 **the following apply to the acquisition attempt:**
 32 **(1) If the owner of the property is not the owner of the**
 33 **business:**
 34 **(A) the state educational institution must submit a copy of**
 35 **any documents the state educational institution is required**
 36 **to submit to the owner of the property to the owner of the**
 37 **business; and**
 38 **(B) the owner of the business must be named as a**
 39 **defendant in any action brought in which the owner of the**
 40 **property is named as a defendant.**
 41 **(2) The state educational institution must include:**
 42 **(A) the capitalized value of the estimated future earnings**

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of the business after the date the state educational institution would acquire the property; and

(B) the data and calculations used to estimate the future earnings;

in any proposed purchase price, offer to purchase, or offer of settlement submitted by the state educational institution to the owner of the property.

(3) If the state educational institution does not agree with the owner of the operating business concerning the capitalized value of the estimated future earnings of the business after the date the state educational institution would acquire the property, the state educational institution may file a complaint for that purpose with the clerk of the circuit court of the county where the property is located as provided in section 4 of this chapter.

(4) If the state educational institution pays damages under section 10 of this chapter as assessed under section 9 of this chapter concerning property that contains an operating business:

(A) the state educational institution must also pay the owner of the business the capitalized value of the estimated future earnings of the business after the date the state educational institution would acquire the property before the state educational institution may take possession of and hold the interest in the property; and

(B) the payment and amount of the capitalized value of the estimated future earnings is subject to:

- (i) appeal by the owner of the business as a defendant in an action as provided in section 8 of this chapter; and
- (ii) review by any party in an action as provided in section 11 of this chapter.

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