

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

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 7018

BILL NUMBER: HB 1329

NOTE PREPARED: Feb 29, 2024

BILL AMENDED: Feb 29, 2024

SUBJECT: Local Government Matters.

FIRST AUTHOR: Rep. Pressel

FIRST SPONSOR: Sen. Baldwin

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill authorizes the solid waste management district of Vanderburgh County to make grants and loans for certain purposes.

This bill provides that with certain exceptions a governmental entity is prohibited from requiring that a Class 2 structure or a residential onsite sewage system be inspected in connection with or as a condition of the sale of or transfer of title to the property containing the Class 2 structure or residential onsite sewage system. It allows a governmental entity to require certain inspections of properties located in that part of St. Joseph County containing a designated sole source aquifer only if it has been more than 15 years since the property was last sold or transferred, or the Class 2 structure or system was constructed or installed.

The bill provides, for purposes of posting a license bond, that a political subdivision may not impose any requirement for the political subdivision to be identified as an obligee on the license bond other than the requirement in statute. It provides that certain obligors may initiate a civil action against a political subdivision that does not recognize or does not allow an obligor to post a license bond that satisfies certain requirements and that, if the obligor prevails in the action, the obligor shall be awarded an amount equal to: (1) 300% of the cost of obtaining the license bond; (2) compensatory damages; and (3) reasonable attorney's fees. This bill provides that if a contractor: (1) has posted a license bond to obtain one license from a political subdivision; and (2) is required to obtain another license from the political subdivision to perform work that the contractor intends to perform; the contractor may not be required to post a second license bond as a condition of obtaining the second license if the type of work that the first license authorizes the contractor to perform is so closely related to the type of work that the second license will authorize the contractor to perform that both types of work are typically involved in a single residential construction project.

This bill provides that a city, town, or county that requires a building permit for the construction of a Class 2 structure may provide for the inspection to be conducted by: (1) an individual employed by the city, town, or county, or by another city, town, or county, as a building inspector; (2) a registered architect; (3) a registered professional engineer; (4) a certified building official; or (5) a licensed home inspector.

Effective Date: July 1, 2024.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fees:* If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures: *Political Subdivisions:* This bill may result in an increase in expenditures for political subdivisions to the extent that an obligor who brings civil action against a political subdivision is successful in their court case. The political subdivision would have to pay the obligor 300% of the cost of obtaining the license bond; damages compensating the obligor from the political subdivision for not recognizing or otherwise allowing the obligor to post the license bond; and reasonable attorney's fees, as applicable.

(Revised) *Class 2 Structure Mandated Inspections Prohibition:* This bill's provisions will result in a decrease in the administrative workload and overall expenditures for political subdivisions to the extent these entities are currently requiring an inspection of a Class 2 structure or a residential onsite sewage system in connection with the sale or transfer of property containing one of these structures or systems. This bill will prohibit political subdivisions from requiring these sort of inspections, with the exception of certain properties located in part of St. Joseph County containing a designated sole source aquifer only if it has been more than 15 years since the property was last sold or transferred, or the Class 2 structure or system was constructed or installed.

Vanderburgh County Solid Waste Management District: This bill's provisions may result in an increase in the administrative workload and in overall expenditures for the Vanderburgh County Solid Waste Management District to the extent that the district exercises its discretion - as provided in the bill - to fund 1) the repair or maintenance of municipal and county public roadways located within a mile of any landfill in the district and/or 2) the emergency clean-up of trees and other debris resulting from a natural disaster or other casualty.

Additional Information: The Vanderburgh County Solid Waste Management District had a certified budget of \$579,932 for CY 2023.

Explanation of Local Revenues: If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected:

Local Agencies Affected: Political subdivisions; Trial courts, city and town courts; Vanderburgh County Solid Waste Management District.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual. Pay 2023 Certified Budget Order for Vanderburgh County:
<https://www.in.gov/dlgf/files/2023-reports/Vanderburgh-221227-2023-County-Budget-Order.pdf>.

Fiscal Analyst: James Johnson, 317-232-9869.