

**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 6680

BILL NUMBER: HB 1436

NOTE PREPARED: Apr 8, 2021

BILL AMENDED: Mar 25, 2021

SUBJECT: Administrative Proceedings and State Agencies.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR: Sen. Messmer

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Attorney's Fees in Administrative Actions:* The bill provides that, in an adjudicative administrative proceeding concerning an agency action, the administrative law judge (ALJ) shall order the agency to pay the reasonable attorney's fees incurred, if the party challenging the agency action proves, by a preponderance of the evidence, that: (1) the agency's action was frivolous or groundless; or (2) the agency pursued the action in bad faith.

Effective Date: July 1, 2021.

Explanation of State Expenditures: *Attorney's Fees in Administrative Actions:* State expenditures could increase if an ALJ finds that a state agency action was frivolous, groundless, or pursued in bad faith. The bill requires the ALJ to order a state agency to pay the reasonable attorney's fees incurred by the party challenging the agency action.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Administrative Law Proceedings; potentially all state agencies that must follow the Administrative Orders and Procedures Act (IC 4-21.5).

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Heather Puletz, 317-234-9484.