

**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 6106
BILL NUMBER: HB 1541

NOTE PREPARED: Apr 6, 2021
BILL AMENDED: Mar 25, 2021

SUBJECT: Landlord-Tenant Relations.

FIRST AUTHOR: Rep. Manning
FIRST SPONSOR: Sen. Buck

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill eliminates the general restriction on the authority of a county, city, town, or township concerning regulation of landlord-tenant relationship matters not specifically described by state statute. It also prohibits the waiver of laws regarding retaliatory acts by a landlord.

Effective Date: Upon passage; Feb 17, 2021 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues: *Prohibition of Waivers* – This bill prohibits the waiver of certain legal protections by either a landlord or a tenant. This could potentially increase the number of civil suits filed in Indiana courts, thereby increasing the revenue associated with such filings. A civil costs fee of \$100 is assessed when a civil case is filed, 70% of which is 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 judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use to assist with pro bono legal services programs in Indiana. Proceeds from the automated record keeping fee (\$20) are deposited into the State User Fee Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures: *Regulation of Landlord-Tenant Relationships* – This bill removes a provision under PL 168-2020 that prevents a local unit from regulating any other aspect of the landlord-tenant relationship not defined in the bill. This provision will allow certain local regulations to remain in place while others become

unenforceable as of Feb 17, 2021. This change may increase workload on the part of local units with affected regulations, but any increase is expected to be within the capacity of affected units.

Prohibition of Waivers – This bill will likely increase the number of civil suits filed in Indiana courts, creating an increase in workload for the courts system. This additional workload is within the system’s routine administrative functions and should be able to be met with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of Local Revenues: *Prohibition of Waivers* – An increase in civil actions would increase court fee revenue to local governments. The following fees are assessed:

If a civil action is filed in a county court, the county would receive 27% of the \$100 court 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 costs fees. If the case is filed in a city or town court, 20% of the court costs fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay a document storage fee of \$5, which is deposited into the Clerk Record Perpetuation Fund. Document fees of \$1 per page are charged for preparing transcripts or copies of record or certificate under seal and a civil garnishee defendant service fee (\$10) is collected from the filing party for each defendant beyond the first three garnishee defendants cited in the lawsuit.

State Agencies Affected:

Local Agencies Affected: Local units with applicable landlord-tenant regulations; trial courts, city and town courts.

Information Sources: Indiana Trial Court Fee Manual

Fiscal Analyst: Alexander Raggio, 317-234-9485.