

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

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FISCAL IMPACT STATEMENT

LS 7261

BILL NUMBER: SB 350

NOTE PREPARED: Jan 5, 2021

BILL AMENDED:

SUBJECT: Small Claims Appointed Counsel.

FIRST AUTHOR: Sen. Ford J.D.

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill establishes the Marion County Small Claims Appointed Counsel Pilot Program (program). It provides legal counsel to indigent tenants during possessory actions in Marion County small claims courts. It provides that Marion County small claims courts shall contract with attorneys and legal aid services to accommodate indigency based requests for legal representation. It requires the Justice Reinvestment Advisory Council to submit an annual report concerning the program to the General Assembly.

Effective Date: July 1, 2021.

Explanation of State Expenditures: *Justice Reinvestment Advisory Council (JRAC):* The bill requires the JRAC to annually study and analyze the cost of the program, the effect of the program on the judicial economy of Marion County small claims courts, and whether the program could be expanded outside of Marion County. It also requires the JRAC to submit an annual report concerning the program to the General Assembly. This provision will increase the workload of the JRAC.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill could increase local expenditures if pauper counsel must be appointed to indigent tenants in possessory actions.

If the court finds that the indigent tenant is able to pay some of the costs of representation by the assigned counsel, the court shall order the tenant to pay a fee of \$50. The small claims court shall deposit any fees collected in the Civil Legal Aid Fund. The fee may offset a portion of the expense to provide pauper counsel.

Marion County Small Claims Appointed Counsel Pilot Program: The bill establishes the pilot program to provide legal representation for tenants during small claims possessory actions.

Marion County: The bill requires the Marion County small claims court to conduct an indigency hearing prior to the completion of the initial hearing, if assigned counsel is requested by the tenant. The bill provides that the court must consider the tenant's assets, income, necessary expenses, the tenant's eligibility for the federal Supplemental Nutrition Assistance Program (SNAP), federal and state Temporary Assistance for Needy Families (TANF), or another need based public assistance program when determining indigency. It also requires the small claims court to contract with attorneys or qualifying local legal services providers to provide representation for indigent tenants.

Explanation of Local Revenues:

State Agencies Affected: Office of Judicial Administration; Justice Reinvestment Advisory Council; General Assembly.

Local Agencies Affected: Marion County Small Claims Court.

Information Sources:

Fiscal Analyst: Corrin Harvey, 317-234-9438.