

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6644
BILL NUMBER: SB 466

DATE PREPARED: Dec 28, 1999
BILL AMENDED:

SUBJECT: Fraudulent construction practices.

FISCAL ANALYST: Beverly Holloway
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill changes the criminal mental state needed to commit the crime of home improvement fraud from "knowingly" to the lesser degree of "recklessly." It adds reckless failure to complete promised home improvements within 90 days after materials are delivered to the work site and reckless failure to take reasonable steps to protect exposed parts of a home improvement construction site from weather related damage to other crimes defined as home improvement fraud.

This bill simplifies the penalty structure applicable to the offense of home improvement fraud, and makes certain acts of home improvement fraud a Class A misdemeanor instead of a Class B misdemeanor.

The offense of construction deception is moved from Title 32 of the Indiana Code to Title 35 of the Indiana Code.

Effective Date: April 2, 2000 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues: Revenue to the Common School Fund may increase if a person is sentenced for a Class A misdemeanor rather than for a Class B misdemeanor. The maximum fine for a Class B misdemeanor is \$1,000 while the maximum fine for a Class A misdemeanor is \$5,000. Court fees of \$120 would remain unchanged.

Explanation of Local Expenditures: Costs to local governments could increase because the maximum term of imprisonment for a Class B misdemeanor is up to 180 days while the maximum term for a Class A misdemeanor is up to one year. The average daily cost of housing a prisoner is approximately \$44.

Explanation of Local Revenues: Court fees of \$120 would remain unchanged when increasing the penalty

from a Class B misdemeanor to a Class A misdemeanor.

State Agencies Affected:

Local Agencies Affected: Trial courts; Local law enforcement agencies.

Information Sources: Indiana Sheriffs Association.