

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6706

BILL NUMBER: HB 1473

NOTE PREPARED: Apr 1, 2003

BILL AMENDED: Mar 27, 2003

SUBJECT: Ordinance Violations and Liens.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR: Sen. Bray

BILL STATUS: As Passed - House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill specifies that the expense incurred by a municipal corporation to bring real property into compliance with an ordinance is a lien against the real property to a maximum of \$2,500 for real property that contains a Class 2 residential structure and \$10,000 for all other real property. The bill also makes the lien superior to all other liens except liens for taxes.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Currently, if a municipal corporation takes action to bring property into compliance with an ordinance, it has the option of making those expenses a lien against the property. According to the provisions of this bill, those expenses are automatically made a lien against the property. This may increase the amount of expenses recovered if the municipal corporation pursues the liens, however, it may also incur further court expenses in doing so. As amended, the bill provides that such expenses may not exceed \$2,500 for real property that contains a Class 2 residential structure and \$10,000 for all other real property.

The bill also makes a lien such as this superior to all other liens except for taxes. This designates the lien as having greater priority than other liens, such as those imposed by private banking institutions. This priority could increase the likelihood of expenses being recovered if the lien is pursued.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipal Corporations.

Information Sources:

Fiscal Analyst: Valerie Ruda, 232-9867