

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6352

BILL NUMBER: SB 115

NOTE PREPARED: Jan 26, 2010

BILL AMENDED: Jan 25, 2010

SUBJECT: Eminent Domain for Carbon Dioxide Pipeline.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill permits an entity authorized to transport carbon dioxide by pipeline to acquire real property by eminent domain.

Effective Date: July 1, 2010.

Explanation of State Expenditures: (Revised) *Temporary Interest Compensation*- The state when acting as a condemnor, may require additional expenditure to compensate any *temporary interest acquisition* made in a future private-to-private eminent domain procedure. (This provision of law currently requires the acquisition of the parcel in question only.)

However, given the requirements of transfer of property by eminent domain under this provision of law, state expenditures would likely be impacted minimally. The type of land transferred under this provision of law must first be considered a public nuisance, unfit for human habitation, or contains a structure that does not have working sewers, heating, plumbing, utilities, or similar services.

(Revised) **Background: Private-to-Private Eminent Domain Compensation**- Under current law, compensation for agricultural land in private-to-private eminent domain acquisitions is either 125% of fair market value or transfer of interest of agricultural land (in equal acreage) to the property owner to be compensated. Residential land requires 150% of fair market value, payment of damages, loss incurred from trade or business, and relocation cost to the owner.

Explanation of State Revenues: *Summary:* State revenues may increase if more court cases occur regarding

property involving eminent domain.

Court Fee Revenue: If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be 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 document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures: (Revised) *Temporary Interest Compensation-* As stated above, this provision could affect local units of government when authorized to exercise eminent domain. Local unit expenditures could increase in a private-to-private eminent domain proceeding when the local unit, acting as a condemnor, were allowed to temporarily acquire interest in a property.

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil 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 fees. If the case is filed in a city or town court, 20% of the court 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 and depending upon the particular type of case.

State Agencies Affected: Department of Administration.

Local Agencies Affected: Local units of government, trial courts.

Information Sources:

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