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FISCAL IMPACT STATEMENT

LS 6700

BILL NUMBER: HB 1508

NOTE PREPARED: Dec 26, 2012

BILL AMENDED:

SUBJECT: Local Government and Mediation.

FIRST AUTHOR: Rep. VanNatter

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill requires a court to refer a civil action to mediation when a political subdivision sues another political subdivision, unless the court finds the matter is inappropriate for mediation.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill will have indeterminate fiscal impact on a political subdivision entering into a civil action against another political subdivision, but may potentially reduce costs for dispute resolution between two political subdivisions.

Assuming the issue between two political subdivisions can be resolved through mediation, court workload may be reduced and less attorney time may be required. However, if the parties cannot reach a settlement or if there is a breach or failure to perform under the agreement, the matter may return to a court, which would potentially increase the overall cost to resolve the matter.

Background: The Indiana Rules for Alternative Dispute Resolution indicate that there is a mediation conference at which attorneys with settlement authority, representatives with settlement authority, and other necessary individuals are present. The parties may submit, prior to the conference, a confidential statement of the case,

including legal and factual contentions about liabilities and damages, the factors considered in arriving at the current settlement posture, and the status of the settlement negotiations to date.

In the mediation process, the mediator may meet jointly or separately with the parties and may express an evaluation of the case to one or more of the parties or their representatives. This evaluation may be expressed in the form of settlement ranges rather than exact amounts.

The rules of evidence do not apply in mediation, but factual information having a bearing on the question of damages should be supported by documentary evidence whenever possible. Whenever possible, parties are encouraged to limit discovery to the development of information necessary to facilitate the mediation process.

If an agreement is reached, the written and signed document is filed with the court. Conversely, the mediator may terminate mediation or the parties may terminate mediation after two sessions have been completed.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Political Subdivisions.

Information Sources: *Indiana Rules of Court, Rules for Alternative Dispute Resolution*, including Amendments Received Through January 1, 2011, accessed at http://www.in.gov/judiciary/rules/adr/index.html#_Toc244667868

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