



Reprinted
January 28, 2020

SENATE BILL No. 230

DIGEST OF SB 230 (Updated January 27, 2020 2:44 pm - DI 87)

Citations Affected: IC 36-1.

Synopsis: Leasing of local unit property. Provides that a political subdivision may lease real property of the political subdivision that is located between the curb of a street and the front of commercial property, including a parkway strip, tree row, verge, or sidewalk, to the owner or property manager of the commercial property: (1) upon terms agreed to between the political subdivision and the property owner or property manager; and (2) without competitive bidding. Specifies requirements for the lease. Provides that upon execution of the lease, the property of the political subdivision shall be under the maintenance, control, and supervision of the property owner or the property manager, subject to the public's right to use the sidewalk as a walkway. Requires the lessee to: (1) assume the liability of the political subdivision for personal injuries and property damage to third parties occurring on the property; and (2) maintain insurance coverage in amount determined sufficient by the political subdivision. Requires the lease to be approved by at least a two-thirds vote of the members of the fiscal body of the political subdivision and recorded in the office of the county recorder.

Effective: July 1, 2020.

Sandlin, Buck

January 6, 2020, read first time and referred to Committee on Local Government.
January 23, 2020, amended, reported favorably — Do Pass.
January 27, 2020, read second time, amended, ordered engrossed.

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Reprinted
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Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

SENATE BILL No. 230

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-1-11-10.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2020]: **Sec. 10.5. (a) This section applies only**
4 **to property owned by a political subdivision that fronts and abuts**
5 **real property assessed as commercial land under the real property**
6 **assessment rules and guidelines of the department of local**
7 **government finance. A disposing agent may proceed under this**
8 **section in leasing the property.**
9 (b) As used in this section, "property of the political
10 subdivision" means real property owned by a political subdivision
11 that extends from the curb or edge of a public street or roadway to
12 the front of commercial property owned by a person. The term
13 includes the following:
14 (1) A parkway strip, tree row, or verge.
15 (2) A sidewalk.
16 (c) A political subdivision may, by ordinance or resolution,
17 authorize the lease of property of the political subdivision to the

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- 1 owner or property manager of the commercial property that abuts
2 or fronts on the property:
- 3 (1) upon such terms as are agreed to between the political
 - 4 subdivision and the property owner or property manager,
 - 5 subject to subsection (d); and
 - 6 (2) without competitive bidding.
- 7 (d) The following apply to a lease executed under this section:
- 8 (1) A lease may include an option to renew.
 - 9 (2) A lease may not include an option to purchase.
 - 10 (3) The property may not be leased to a person who is
 - 11 ineligible under section 16 of this chapter.
 - 12 (4) Property owned by a political subdivision may be leased
 - 13 for a term longer than three (3) years, if the lease is approved
 - 14 by the fiscal body of the political subdivision.
 - 15 (5) Upon execution of the lease, the property owner or
 - 16 property manager shall be responsible for the maintenance,
 - 17 control, and supervision of the property of the political
 - 18 subdivision, subject to the public's right to use a sidewalk on
 - 19 the property of the political subdivision as a walkway.
 - 20 (6) The lessee shall assume the liability of the political
 - 21 subdivision for personal injuries and property damage to
 - 22 third parties occurring on the property during the lease
 - 23 period. A lease shall be conditioned upon the lessee
 - 24 maintaining insurance coverage on the leased property for
 - 25 public liability and property damage in an amount
 - 26 determined sufficient by the political subdivision.
 - 27 (7) The lease must be recorded in the office of the recorder of
 - 28 the county where the property is located.
- 29 (e) A lease may not be entered into under this section unless the
- 30 lease is authorized by an ordinance or resolution approved by at
- 31 least a two-thirds (2/3) vote of the members of the fiscal body of the
- 32 political subdivision.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 230, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 18 and 19, begin a new line block indented and insert:

"(6) The lease must be recorded in the office of the recorder of the county where the property is located."

and when so amended that said bill do pass.

(Reference is to SB 230 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 10, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 230 be amended to read as follows:

Page 1, line 17, delete "a" and insert "**the owner or property manager of the commercial property that abuts or fronts on the property:**".

Page 2, delete line 1.

Page 2, between lines 18 and 19, begin a new line block indented and insert:

"(6) The lessee shall assume the liability of the political subdivision for personal injuries and property damage to third parties occurring on the property during the lease period. A lease shall be conditioned upon the lessee maintaining insurance coverage on the leased property for public liability and property damage in an amount determined sufficient by the political subdivision."

Page 2, line 19, delete "(6)" and insert "(7)".

(Reference is to SB 230 as printed January 24, 2020.)

SANDLIN

