

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

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6177

BILL NUMBER: SB 332

NOTE PREPARED: Apr 7, 2023

BILL AMENDED: Mar 14, 2023

SUBJECT: Planning and Zoning Affecting Military Bases.

FIRST AUTHOR: Sen. Messmer

FIRST SPONSOR: Rep. Manning

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a county, city, or town to establish a military impact zoning district for an area adversely impacted by the effects of military operations. It establishes a state area of interest that is comprised of land within one or both of the following:

- (1) Within three miles of certain military installations.
- (2) Within a military impact zoning district.

The bill makes planning, zoning, and development activity (activity) in a state area of interest subject to the military installation commander's determination regarding the activity's impact on military operations. It also allows a representative of the military installation to serve as a nonvoting adviser to the unit's plan commission.

The bill requires a lease or real estate sales disclosure form to disclose that the property is within a state area of interest. It provides that the responsibility for the disclosure required by the owner that the property is located near a military installation rests solely with the owner of the property and no liability for the owner's failure to make the required disclosure shall accrue to any third party.

Effective Date: July 1, 2023.

Explanation of State Expenditures: *Indiana Real Estate Commission* - This bill will require the agency to update the current version of the Seller's Residential Real Estate Sales Disclosure Form so that the form includes an option to denote that the property is located near a military installation within a state area of interest and may be impacted to some degree by the effects of the installation's military operations and that

local laws may restrict use and development of the property to promote compatibility with military installation operations.

This requirement will cause a temporary increase in the agency's workload since the agency would have to go through the rule making process to update the form, which is specified in 876 IAC 9-1-2. However, the agency may be able to implement this requirement with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill replaces the current language pertaining to Planning and Zoning Affecting Military Bases (IC 36-7-30.1) with updated language that creates state areas of interest and military impact zoning districts.

A military impact zoning district is an area established by a county, city, or town plan commission that is adversely impacted by at least one effect of military operations and is designed to facilitate land use planning within the district to foster development that is compatible with an installation's military operation and less sensitive to the particular effect of military operation.

A state area of interest is comprised of land not more than three miles from an installation and/or within a military impact zoning district. Per statute, there are currently three military installations: Naval Support Activity Crane, Lake Glendora Test Facility, and Grissom Air Reserve Base.

The bill requires the county, city, or town to submit any proposed land use activity plans within a state area of interest to the commander of the military installation for their review prior to the local unit of government approving or funding the plans. The commander may inform the unit of any concerns the land use activity may have on the installation's military operation and may include any recommended alternatives that would mitigate adverse impacts from the land use activity. The unit, then, may approve or fund the land use activity after it has demonstrated that the proper mitigation measures have been factored into the plan. The bill's provision does not affect a municipality's zoning overlay for a military installation that was adopted in coordination with the military installation's commander before January 1, 2023, and does not require the municipality to adopt or amend the municipality's zoning overlay described to comply with the military zoning district requirements.

The bill also allows the commander of the military installation to recommend a civilian or military representative of the installation in mission sustainment activities to serve as a nonvoting, non paid adviser to the unit's plan commission.

This bill will cause a temporary increase in the local units workload since they will need to either enact or update their local planning and zoning ordinances to factor in these new land use activity requirements. However, the local units may be able to implement this requirement with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of Local Revenues: The bill requires a map of the proposed district approved by the commander and adopted by the legislative body of the unit to be recorded in the office of the recorder of the county where the proposed district is located. This provision may result in an increase in revenue for the county unit.

Additional Information: According to the Indiana Recording Manual, most non-mortgage documents are assessed a \$25 recording fee in all counties except for Marion County, where the fee is \$35. The fee revenue is distributed to the following county funds: County General, County Surveyor's Corner Perpetuation Fund, County Recorder's Perpetuation Fund, County Identity Security Protection Fund, County Elected Officials Training Fund, and County Housing Trust Fund (Marion County only).

State Agencies Affected: Indiana Real Estate Commission.

Local Agencies Affected: County, city, and town local units of government.

Information Sources: Indiana Seller's Residential Real Estate Sales Disclosure Form (State Form 46234); Indiana Recording Manual and Desktop Reference : <https://indianarecorders.org/wp-content/uploads/2021/01/IRA-Recording-Manual-rev-2021.pdf>.

Fiscal Analyst: James Johnson, 317-232-9869.