

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6794

BILL NUMBER: HB 1390

NOTE PREPARED: Dec 23, 2025

BILL AMENDED:

SUBJECT: Eminent Domain.

FIRST AUTHOR: Rep. Lindauer

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Indiana Department of Transportation (INDOT) to make an original offer that is equal to 125% of the fair market value of a property when purchasing the property for a project. The bill also provides that a person having an interest in a property that is damaged as a result of a public use is entitled to bring an inverse condemnation claim.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Summary* - This bill would increase the purchase price for land acquired by INDOT through eminent domain. The bill's impact on INDOT eminent domain expenditures is indeterminable, but would ultimately be constrained by budgetary allocations.

The bill could also increase state expenditures from damages from inverse condemnation claims. Increases in state expenditures are indeterminable.

Additional Information - INDOT currently pays 100% of the fair market value (FMV) for property that is taken through eminent domain. Under the bill, this will increase to 125% of the property's FMV. The price for eminent domain for economic development is set as follows; (1) 125% FMV for agricultural land, (2) 150% FMV for residential land, and (3) 100% FMV for land that is neither agricultural or residential (IC 32-24-4.5-8).

Increasing the price at which INDOT acquires land for infrastructure projects would not necessarily increase agency expenditures as costs would be constrained by annual budgetary allocations. The increase in purchase price however could decrease the amount of land INDOT acquires through eminent domain or delay land acquisition due to budgetary constraints. Any impact on INDOT acquisition costs ultimately depends on the decisions of INDOT administrators.

Inverse Condemnation Claims - To the extent there are additional civil filings against INDOT or other state entities from inverse condemnation claims, the bill could increase state expenditures for damages, court costs, and attorney fees, as determined by a court.

Explanation of State Revenues: *Inverse Condemnation Claims* - The bill could increase civil court filings for inverse condemnation claims against government entities and utility companies in the state. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

Explanation of Local Expenditures: *Inverse Condemnation Claims* - To the extent there are additional civil filings against local government entities or municipally-owned utilities from inverse condemnation claims, the bill could increase local expenditures for damages, court costs, and attorney fees, as determined by a court. Increases in local expenditures are interminable.

Explanation of Local Revenues: *Inverse Condemnation Claims* - If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

State Agencies Affected: INDOT, state entities that utilize eminent domain.

Local Agencies Affected: All.

Information Sources: https://www.in.gov/indot/files/Real-Estate-Manual_2025.pdf

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