

SENATE BILL No. 467

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-31.

Synopsis: Landlord-tenant matters. Provides that a landlord may not sell a residential rental property that is subject to an unexpired written lease unless the landlord gives written notice to the tenant not less than 60 days before the landlord lists the property for sale, unless certain exceptions apply. Requires a buyer of a residential rental property to honor an unexpired written lease between the previous owner and a tenant unless the buyer of the residential rental property: (1) gives to the tenant, not less than 30 days before the lease is terminated, written notice that the buyer intends to terminate the lease; and (2) pays the tenant an amount equal to one monthly rental payment plus the full security deposit. For purposes of a residential rental unit, defines: (1) "essential services" as certain utility services needed for the safe and habitable occupation by a tenant of the tenant's rental unit; and (2) "essential systems" as certain systems used to deliver essential services to a rental unit. Requires a landlord to repair or replace an essential system not later than 48 hours after being notified by a tenant that the tenant's rental unit is without essential services as a result of: (1) a malfunction in the essential system; or (2) the landlord's failure to maintain the system in good and safe working condition. Provides that a tenant may enforce a statutory obligation of a landlord by: (1) providing 30 days notice to the landlord of the landlord's noncompliance with the obligation; and (2) if the landlord fails to make the repairs necessary to remedy the noncompliance, withholding from the next regular rental payment the estimated cost of the repairs and using the amount withheld to make the repairs. Provides that, during the pendency of a court action brought by a tenant to enforce a statutory
(Continued next page)

Effective: July 1, 2025.

Niezgodski

January 13, 2025, read first time and referred to Committee on Judiciary.



Digest Continued

obligation of a landlord, the court may order the tenant to make the regular rental payments otherwise due to the landlord under the rental agreement to: (1) the clerk of the court; or (2) an attorney trust account; to be held in trust for disbursal to the prevailing party, as ordered by the court.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 467



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

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

1 SECTION 1. IC 32-31-1-10.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2025]: **Sec. 10.5. (a) Except as provided in**
4 **subsection (b), before a landlord may sell a residential rental**
5 **property that is subject to an unexpired written lease, the landlord**
6 **must give to the tenant, not less than sixty (60) days before the**
7 **landlord lists the property for sale, written notice of the landlord's**
8 **intent to sell the residential real property.**
9 **(b) A landlord of residential rental property is not required to**
10 **comply with subsection (a) if any of the following apply:**
11 **(1) The landlord and tenant mutually agree to terminate the**
12 **unexpired lease early.**
13 **(2) An unexpired written lease is set to expire within the sixty**
14 **(60) day notice period described in subsection (a).**
15 **(3) The tenant is in breach of the lease agreement.**



- 1 **(4) The residential rental property is being sold due to the**
 2 **death of the owner of the residential rental property.**
 3 **(c) Except as provided in subsection (d), a buyer of a residential**
 4 **rental property shall honor an unexpired written lease between the**
 5 **previous owner and a tenant.**
 6 **(d) A buyer of a residential rental property may terminate an**
 7 **unexpired written lease between the previous owner and a tenant**
 8 **if the buyer:**
 9 **(1) not less than thirty (30) days before the lease is terminated,**
 10 **gives written notice to the tenant that the buyer intends to**
 11 **terminate the lease; and**
 12 **(2) pays the tenant an amount equal to:**
 13 **(A) the amount of one (1) monthly rental payment, as**
 14 **specified in the written lease; plus**
 15 **(B) the amount of the full security deposit, as specified in**
 16 **the written lease.**
 17 SECTION 2. IC 32-31-8-5 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. **(a) As used in this**
 19 **section, "essential services" means:**
 20 **(1) electricity;**
 21 **(2) gas;**
 22 **(3) heat;**
 23 **(4) water; or**
 24 **(5) other services;**
 25 **needed for the safe and habitable occupation by a tenant of the**
 26 **tenant's rental unit.**
 27 **(b) As used in this section, "essential system" means a system,**
 28 **or one (1) or more parts or components of a system, that:**
 29 **(1) is described in subsection (c)(4); and**
 30 **(2) is:**
 31 **(A) used for; or**
 32 **(B) necessary to;**
 33 **the delivery of one (1) or more essential services to a rental**
 34 **unit.**
 35 **(c) A landlord shall do the following:**
 36 **(1) Deliver the rental premises to a tenant in compliance with the**
 37 **rental agreement, and in a safe, clean, and habitable condition.**
 38 **(2) Comply with all health and housing codes applicable to the**
 39 **rental premises.**
 40 **(3) Make all reasonable efforts to keep common areas of a rental**
 41 **premises in a clean and proper condition.**
 42 **(4) Provide and maintain the following items in a rental premises**



1 in good and safe working condition, if provided on the premises
 2 at the time the rental agreement is entered into:

3 (A) Electrical systems.

4 (B) Plumbing systems sufficient to accommodate a reasonable
 5 supply of hot and cold running water at all times.

6 (C) Sanitary systems.

7 (D) Heating, ventilating, and air conditioning systems. A
 8 heating system must be sufficient to adequately supply heat at
 9 all times.

10 (E) Elevators, if provided.

11 (F) Appliances supplied as an inducement to the rental
 12 agreement.

13 **(d) Subject to subsections (e) and (f), a landlord shall repair or**
 14 **replace an essential system not later than forty-eight (48) hours**
 15 **after being notified by a tenant that the tenant's rental unit is**
 16 **without one (1) or more essential services as a result of:**

17 **(1) a malfunction in the essential system; or**

18 **(2) the landlord's failure to otherwise maintain the essential**
 19 **system in good and safe working condition.**

20 **(e) The forty-eight (48) hour period set forth in subsection (d)**
 21 **does not apply if:**

22 **(1) the tenant's rental unit is without one (1) or more essential**
 23 **services:**

24 **(A) because of a malfunction in an essential system; and**

25 **(B) the malfunction is the direct result of the tenant's**
 26 **commission of waste to the essential system or the rental**
 27 **unit; or**

28 **(2) the landlord makes a good faith attempt within the**
 29 **forty-eight (48) hour period set forth in subsection (d) to**
 30 **undertake the needed repairs to, or replacement of, an**
 31 **essential system through:**

32 **(A) the landlord's own efforts; or**

33 **(B) the services of:**

34 **(i) a contractor; or**

35 **(ii) an employee or agent of the landlord;**

36 **and the landlord or person described in clause (B) is unable to**
 37 **begin or complete the needed repairs or replacement within**
 38 **the forty-eight (48) hour period set forth in subsection (d).**

39 **(f) Subsection (d) does not:**

40 **(1) prohibit a landlord from interrupting, shutting off, or**
 41 **terminating one (1) or more essential services to a rental unit**
 42 **as needed:**



- 1 **(A) in an emergency;**
 2 **(B) to make good faith repairs; or**
 3 **(C) for construction; or**
 4 **(2) require a landlord to pay for one (1) or more essential**
 5 **services provided to a rental unit if the landlord has not**
 6 **agreed to do so under the rental agreement.**
 7 SECTION 3. IC 32-31-8-5.5 IS ADDED TO THE INDIANA CODE
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2025]: **Sec. 5.5. (a) In addition to, or instead of, bringing an**
 10 **action under section 6 of this chapter, a tenant may enforce an**
 11 **obligation of a landlord under this chapter by doing the following:**
 12 **(1) Delivering to the landlord, at least thirty (30) days before**
 13 **the tenant's next regular rental payment is due under the**
 14 **rental agreement, a written notice that includes the following:**
 15 **(A) A statement of the nature of the landlord's alleged**
 16 **failure to comply with one (1) or more requirements of this**
 17 **chapter.**
 18 **(B) A good faith estimate of the cost of any repairs or other**
 19 **actions necessary to remedy the conditions resulting from**
 20 **the landlord's alleged failure to comply.**
 21 **(C) A statement that, if the landlord fails to make the**
 22 **repairs or take the actions identified under clause (B)**
 23 **before the tenant's next regular rental payment is due**
 24 **under the rental agreement, the tenant intends to:**
 25 **(i) withhold from the tenant's next regular rental**
 26 **payment due under the rental agreement the estimated**
 27 **cost of the repairs or other actions identified under**
 28 **clause (B); and**
 29 **(ii) use the money withheld to make the repairs or take**
 30 **the actions necessary to remedy the conditions identified**
 31 **under clause (B).**
 32 **A tenant shall deliver a notice under this subdivision to the**
 33 **person authorized to act as agent for the owner under**
 34 **IC 32-31-3-18(a)(2) at the address required to be disclosed for**
 35 **that person under IC 32-31-3-18(a).**
 36 **(2) Subject to subsection (b):**
 37 **(A) withholding from the tenant's next regular rental**
 38 **payment due under the rental agreement following**
 39 **delivery of the notice under subdivision (1), the estimated**
 40 **cost of the repairs or other actions identified under**
 41 **subdivision (1)(B); and**
 42 **(B) using the money withheld to make the repairs or take**



1 the actions necessary to remedy the conditions identified
 2 under subdivision (1)(B);
 3 if the landlord fails or refuses to make the repairs or take the
 4 actions necessary to remedy the condition described in the
 5 tenant's notice under subdivision (1) before the due date of the
 6 tenant's next regular rental payment following delivery of the
 7 notice under subdivision (1).

8 **(b) A tenant:**

9 (1) may not take any action described in subsection (a)(2) if
 10 the tenant prevents the landlord from having reasonable
 11 access to the rental premises to make any repairs or take any
 12 action necessary to remedy the condition described in the
 13 tenant's notice under subsection (a)(1) before the due date of
 14 the tenant's next regular rental payment following delivery of
 15 the notice under subsection (a)(1); and

16 (2) shall refund to the landlord any amount withheld under
 17 subsection (a)(2)(A) that exceeds the actual costs incurred by
 18 the tenant in making any repairs or taking any actions under
 19 subsection (a)(2)(B), by including the excess amount in the
 20 next rental payment due under the rental agreement following
 21 completion of the repairs or other actions under subsection
 22 (a)(2)(B). If no rental payments are due under the rental
 23 agreement following completion of the repairs or other
 24 actions under subsection (a)(2)(B), the landlord may withhold
 25 the amount of the excess from any security deposit due to the
 26 tenant under IC 32-31-3.

27 A tenant is not entitled to withhold from subsequent rental
 28 payments due under the rental agreement, or otherwise demand
 29 from the landlord, any amounts incurred by the tenant in making
 30 any repairs or taking any actions under subsection (a)(2)(B) that
 31 exceed the cost estimates for the repairs or actions set forth in
 32 subsection (a)(1)(B).

33 SECTION 4. IC 32-31-8-6.5 IS ADDED TO THE INDIANA CODE
 34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2025]: Sec. 6.5. (a) This section applies to an action that is filed
 36 under section 6 of this chapter after June 30, 2025.

37 (b) During the pendency of an action to which this section
 38 applies, if the tenant continues to occupy the rental unit upon
 39 which the action is based, the court may issue a provisional order
 40 that requires the tenant to make regular rental payments otherwise
 41 due to the landlord under the rental agreement to:

42 (1) the clerk of the court, who shall hold the payments in trust



1 for the parties; or
 2 (2) an attorney trust account;
 3 as directed by the court. The funds held by the clerk or in an
 4 attorney trust account under this subsection may not be disbursed
 5 unless the court issues an order for their disbursement.

6 (c) Subject to subsection (e), if the tenant is the prevailing party
 7 in the action under section 6 of this chapter, the tenant is entitled
 8 to a refund of payments made under an order issued by the court
 9 under subsection (b). The amount of the refund:

10 (1) shall be determined by the court after taking into
 11 consideration:

12 (A) the estimated cost of any repairs or other action
 13 necessary to remedy the condition that was the basis of the
 14 tenant's action under section 6 of this chapter;

15 (B) any expenses incurred by the tenant in undertaking any
 16 repairs or other action necessary to remedy the condition
 17 that was the basis of the tenant's action under section 6 of
 18 this chapter;

19 (C) any efforts undertaken by the landlord before or after
 20 the filing of the tenant's action under section 6 of this
 21 chapter to remedy the condition that was the basis of the
 22 tenant's action under section 6 of this chapter; and

23 (D) any other factors that justice may require; and

24 (2) shall be disbursed to the tenant upon order of the court.

25 (d) Subject to subsection (e), if the tenant is not the prevailing
 26 party in the action under section 6 of this chapter, the tenant is not
 27 entitled to a refund of any rental payments made under an order
 28 issued by the court under subsection (b), and any amounts held in
 29 trust by the clerk of the court or in an attorney trust fund shall,
 30 upon order of the court, be disbursed to the landlord and credited
 31 against the amount of the regular rental payments due to the
 32 landlord under the rental agreement during the pendency of the
 33 action.

34 (e) The court may reduce the amount of:

35 (1) a refund to be disbursed to a tenant in an order under
 36 subsection (c), if the court determines that the tenant
 37 contributed in any way to the necessity of repairs or other
 38 action needed to remedy the condition that was the basis of
 39 the tenant's action under section 6 of this chapter; or

40 (2) any amounts to be disbursed to a landlord in an order
 41 under subsection (d), if the court determines that the
 42 landlord's failure to comply with one (1) or more of the



1 **requirements of this chapter contributed in any way to the**
2 **necessity of repairs or other action needed to remedy the**
3 **condition that was the basis of the tenant's action under**
4 **section 6 of this chapter;**
5 **as justice may require.**

