



Reprinted
February 24, 2026

ENGROSSED HOUSE BILL No. 1001

DIGEST OF HB 1001 (Updated February 23, 2026 4:47 pm - DI 87)

Citations Affected: IC 5-1.2; IC 5-20; IC 13-14; IC 14-8; IC 14-28; IC 22-13; IC 36-2; IC 36-4; IC 36-5; IC 36-7; noncode.

Synopsis: Housing matters. Revises the allocation of money available for making loans from the residential housing infrastructure assistance revolving fund. Adds requirements regarding the location of impact zones designated by a county, city, or town (unit) after June 30, 2026. Requires a unit to approve a project that complies with the legal restrictions in effect on the date the project's permit application is submitted. After December 31, 2026, restricts a unit's ability to impose
(Continued next page)

Effective: Upon passage; July 1, 2025 (retroactive); July 1, 2026.

Miller D, O'Brien, Isa
(SENATE SPONSOR — GARTEN)

January 8, 2026, read first time and referred to Committee on Local Government.
January 20, 2026, amended, reported — Do Pass.
January 22, 2026, read second time, amended, ordered engrossed.
January 23, 2026, engrossed.
January 27, 2026, read third time, passed. Yeas 76, nays 15.

SENATE ACTION

February 5, 2026, read first time and referred to Committee on Judiciary.
February 19, 2026, amended, reported favorably — Do Pass.
February 23, 2026, read second time, amended, ordered engrossed.

EH 1001—LS 7120/DI 87



Digest Continued

and increase fees related to building approvals and permits. Delays the implementation of building permit increases to 180 days after publication of the ordinance. Beginning January 1, 2027, requires a unit to annually report the unit's housing status to the Indiana housing and community development authority. Requires the department of environmental management to review and update its Indiana Storm Water Quality Manual not later than December 1, 2026. Prohibits the state or local government from requiring a person intending to fill land in a flood plain to provide compensatory storage at a ratio greater than three (mitigated land) to one (filled land). Requires a unit to forfeit or refund regulatory fees if the unit fails to meet statutory deadlines for issuing a Class 2 building permit. After June 30, 2026, prohibits a state agency or political subdivision from requiring the installation of the following: (1) An arc-fault circuit interrupter in Class 2 structure or structure classified as an R-2 building occupancy classification. (2) An emergency responder communications enhancement system in a Class 1 structure. Repeals a provision that would have reinstated on July 1, 2027, the statute in effect before its amendment in the 2023 regular session of the general assembly setting forth the authorization and procedures for establishing a residential housing development program (program). Amends the current statute for establishing a program to provide that a program terminates: (1) 25 years (instead of 20 years) after the date on which the first obligation was incurred to pay principal and interest on obligations payable from tax increment revenues from the program; or (2) on the date on which the bond obligations or lease rentals are satisfied. Requires a unit not later than January 1, 2027 to: (1) review its unified development ordinance in a public hearing with the purpose of increasing housing development; and (2) report to the executive director of legislative services agency. Urges assignment of the topic of housing developments by religious institutions to an interim study committee. Resolves conflicts for IC 36-2-4-8, which was amended by both P.L.22-2021 and P.L.152-2021. Increases the average construction cost allowable for certain housing projects to be completed by a housing authority. Provides that bonds, notes, or warrants of a housing authority may be sold at less than par value at a negotiated sale.

EH 1001—LS 7120/DI 87



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February 24, 2026

Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1001

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 5-1.2-15.5-10, AS AMENDED BY P.L.90-2024,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 10. ~~Loans from the fund must be allocated and~~
4 ~~made available to participants as follows: The authority shall set~~
5 ~~aside~~ ~~(†)~~ seventy percent (70%) of the money in the fund ~~must be used~~
6 for housing infrastructure benefitting political subdivisions with a
7 population of less than fifty thousand (50,000). ~~(2) Thirty percent~~
8 ~~(30%) of the money in the fund must be used for housing infrastructure~~
9 ~~in all other political subdivisions not described in subdivision (†).~~
10 SECTION 2. IC 5-20-1-28.5 IS ADDED TO THE INDIANA CODE
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2026]: **Sec. 28.5. (a) This section applies to a local unit exercising**
13 **planning and zoning powers under IC 36-7-4.**
14 **(b) As used in this section, "local unit" means a county, city, or**
15 **town.**

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1 (c) Beginning January 1, 2027, and January 1 of each year
2 thereafter, a local unit shall submit a housing progress report to:

3 (1) the authority; and

4 (2) the executive director of the legislative services agency, in
5 an electronic format under IC 5-14-6.

6 (d) The housing progress report must provide the following
7 information for the immediately preceding year:

8 (1) The total number of proposed residential housing units
9 submitted to the local unit.

10 (2) The total number of proposed residential housing units
11 that were approved by the local unit.

12 (3) The total number of proposed residential units that were
13 denied by the local unit.

14 (4) The total number of net new residential housing units
15 submitted to the local unit. The total number of net new
16 residential housing units is determined by subtracting the
17 number of residential housing units that the local unit lost in
18 the immediately preceding year through:

19 (A) demolition;

20 (B) conversion to non-residential use; or

21 (C) combining units;

22 from the total number of proposed residential units submitted
23 to the local unit under subdivision (1).

24 (5) The total number of new residential housing units that:

25 (A) are entitled;

26 (B) have been platted;

27 (C) have been issued a building permit; and

28 (D) have received a certificate of occupancy or completion
29 and compliance by the local unit.

30 (6) The calendar days spent by the local unit in processing
31 housing proposal applications.

32 (e) If the number of proposed residential housing units reported
33 under subsection (d)(1) does not equal the sum of the number of
34 proposed residential housing units reported under subsection (d)(2)
35 and (d)(3), information must be provided to explain the
36 discrepancy.

37 SECTION 3. IC 5-20-1-29 IS ADDED TO THE INDIANA CODE
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
39 1, 2026]: **Sec. 29. (a)** As used in this section, "local unit" means a
40 county, city, or town.

41 (b) Beginning January 1, 2027, and January 1 of each year
42 thereafter, a local unit shall report the following information to the



1 authority and the executive director of the legislative services
2 agency, in an electronic format under IC 5-14-6, regarding the
3 status of housing in the local unit for the prior calendar year:

4 (1) The average and median home sale prices and the year
5 over year change.

6 (2) The median rent prices and year over year change.

7 (3) The number of residential dwelling units constructed and
8 occupied in total and by type.

9 (4) The percentage of new residential dwelling units
10 constructed that are listed at each of the following:

11 (A) Eighty percent (80%) or less of the local unit's median
12 income.

13 (B) Eighty-one percent (81%) to one hundred nineteen
14 percent (119%) of the local unit's median income.

15 (C) One hundred twenty percent (120%) or more of the
16 local unit's median income.

17 (c) A local unit shall use applicable data and information from
18 the 2025 calendar year as a reference point for the information
19 required for the January 1, 2027, report under subsection (b).

20 (d) The authority must compile and publish on the authority's
21 website an annual report of the information reported by local units
22 under subsection (b) that includes at least the following:

23 (1) Regional comparisons of the information provided under
24 subsection (b).

25 (2) An evaluation of the outcomes of housing legislation
26 enacted during the 2026 legislative session.

27 SECTION 4. IC 13-14-1-19 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 2026]: **Sec. 19. (a) Not later than December 1, 2026, the**
30 **department shall do the following:**

31 (1) Conduct a review of the Indiana Storm Water Quality
32 Manual to determine whether:

33 (A) the recommendations in the Indiana Storm Water
34 Quality Manual are cost effective; and

35 (B) any new or revised recommendations are necessary.

36 (2) Submit a report of its findings and recommendations
37 under subdivision (1) to the legislative council in an electronic
38 format under IC 5-14-6.

39 (b) The Indiana Storm Water Quality Manual with respect to
40 storm water management basins:

41 (1) may not require a pond bank ratio greater than three (3)
42 to one (1); and



1 **(2) must require a ten (10) foot maintenance ledge or a ten**
 2 **(10) foot safety ledge, but may not require both.**
 3 **The department shall make changes to the Indiana Storm Water**
 4 **Quality Manual to comply with this subsection not later than**
 5 **December 1, 2026.**

6 SECTION 5. IC 14-8-2-50.2 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 8 1, 2026]: **Sec. 50.2. "Compensatory storage", for purposes of**
 9 **IC 14-28-3-9, has the meaning set forth in IC 14-28-3-9.**

10 SECTION 6. IC 14-8-2-289, AS AMENDED BY P.L.35-2024,
 11 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2026]: **Sec. 289. "Unit of local government", for purposes of**
 13 **IC 14-12-1, IC 14-15-14, and IC 14-22-10, and IC 14-28-3-9, means**
 14 **a:**

- 15 (1) county;
- 16 (2) city;
- 17 (3) town; or
- 18 (4) township;

19 located in Indiana.

20 SECTION 7. IC 14-28-3-9 IS ADDED TO THE INDIANA CODE
 21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 22 1, 2026]: **Sec. 9. (a) As used in this section, "compensatory storage"**
 23 **includes artificial storage used to balance the loss of natural flood**
 24 **storage capacity as a result of placing fill material or other**
 25 **obstructions within a flood plain.**

26 **(b) The state or a unit of local government may not require a**
 27 **person who intends to fill land in a flood plain to provide**
 28 **compensatory storage at a ratio greater than three (3) (mitigated**
 29 **land) to one (1) (filled land).**

30 SECTION 8. IC 22-13-2-3.6 IS ADDED TO THE INDIANA CODE
 31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 32 1, 2026]: **Sec. 3.6. (a) The following may not adopt rules requiring**
 33 **the installation of an arc-fault circuit interrupter (AFCI) in a Class**
 34 **2 structure or a structure classified as an R-2 building occupancy**
 35 **classification under the Indiana building code constructed after**
 36 **June 30, 2026:**

- 37 **(1) The commission.**
- 38 **(2) Another state agency.**

39 **(b) A political subdivision may not adopt an ordinance or other**
 40 **regulation requiring the installation of an arc-fault circuit**
 41 **interrupter (AFCI) in a Class 2 structure or a structure classified**
 42 **as an R-2 building occupancy classification under the Indiana**



1 **building code constructed after June 30, 2026.**

2 **(c) A ordinance or other regulation adopted before July 1, 2026,**
 3 **is void to the extent the ordinance or regulation conflicts with this**
 4 **section.**

5 SECTION 9. IC 22-13-2-3.7 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2026]: Sec. 3.7. (a) A state agency or a political subdivision (as
 8 defined in IC 36-1-2-13) may not require an emergency responder
 9 communications enhancement system (ERCES) or similar system
 10 to be installed in:

11 (1) a new Class 1 structure constructed; or

12 (2) an existing Class 1 structure that is reconstructed,
 13 remodeled, or renovated;

14 **after June 30, 2026.**

15 **(b) An ordinance or other regulation adopted by a political**
 16 **subdivision before July 1, 2026, is void to the extent the ordinance**
 17 **or regulation conflicts with this section.**

18 SECTION 10. IC 36-2-4-8, AS AMENDED BY P.L.22-2021,
 19 SECTION 5, AND AS AMENDED BY P.L.152-2021, SECTION 39,
 20 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) An ordinance, order, or
 22 resolution is considered adopted when it is signed by the presiding
 23 officer. If required, an adopted ordinance, order, or resolution must be
 24 promulgated or published according to statute before it takes effect.

25 (b) An ordinance prescribing a penalty or forfeiture for a violation
 26 must, before it takes effect, be published once each week for two (2)
 27 consecutive weeks, according to IC 5-3-1:

28 (1) with each publication of notice in a newspaper in accordance
 29 with IC 5-3-1; or

30 (2) with the first publication of notice in a newspaper described
 31 in subdivision (1) and the second publication of notice:

32 (A) in accordance with IC 5-3-5; and

33 (B) on the official ~~web site~~ **website** of the county.

34 *However, if such an ordinance is adopted by the legislative body of a*
 35 *county subject to IC 36-2-3.5 and there is an urgent necessity*
 36 *requiring its immediate effectiveness, it need not be published if:*

37 (1) *the county executive proclaims the urgent necessity; and*

38 (2) *copies of the ordinance are posted in three (3) public places*
 39 *in each of the districts of the county before it takes effect.*

40 (c) The following apply in addition to the other requirements of this
 41 section:

42 (1) *An ordinance or resolution passed by the legislative body of*



1 a county subject to IC 36-2-3.5 is considered adopted only if it is:

2 (A) approved by signature of a majority of the county
3 executive (in the case of a county subject to IC 36-2-3.5);

4 (B) neither approved nor vetoed by a majority of the executive
5 (in the case of a county subject to IC 36-2-3.5) within ten (10)
6 days after passage by the legislative body; or

7 (C) passed over the veto of the executive by a two-thirds (2/3)
8 vote of the legislative body; within sixty (60) days after
9 presentation of the ordinance or resolution to the executive.

10 ~~(2)~~ (1) Subject to subsection ~~(g)~~, (f), the legislative body of a
11 county shall:

12 (A) subject to subdivision ~~(3)~~; (2), give written notice to the
13 department of environmental management not later than sixty
14 (60) days before amendment or repeal of an environmental
15 restrictive ordinance; and

16 (B) give written notice to the department of environmental
17 management not later than thirty (30) days after passage,
18 amendment, or repeal of an environmental restrictive
19 ordinance.

20 ~~(3)~~ (2) Upon written request by the legislative body, the
21 department of environmental management may waive the notice
22 requirement of subdivision ~~(2)~~~~(4)~~: (1)(A).

23 ~~(4)~~ (3) An environmental restrictive ordinance passed or amended
24 after 2009 by the legislative body must state the notice
25 requirements of subdivision ~~(2)~~: (1).

26 ~~(5)~~ (4) The failure of an environmental restrictive ordinance to
27 comply with subdivision ~~(4)~~ (3) does not void the ordinance.

28 (d) After an ordinance or resolution passed by the legislative body
29 of a county subject to IC 36-2-3.5 has been signed by the presiding
30 officer, the county auditor shall present it to the county executive; and
31 record the time of the presentation. Within ten (10) days after an
32 ordinance or resolution is presented to it, the executive shall:

33 (1) approve the ordinance or resolution; by signature of a majority
34 of the executive (in the case of a county subject to IC 36-2-3.5);
35 and send the legislative body a message announcing its approval;

36 or

37 (2) veto the ordinance or resolution; by returning it to the
38 legislative body with a message announcing its veto and stating
39 its reasons for the veto.

40 ~~(e)~~ (d) This section (other than subsection ~~(e)~~~~(2)~~) (c)(1)) does not
41 apply to a zoning ordinance or amendment to a zoning ordinance, or a
42 resolution approving a comprehensive plan, that is adopted under



- 1 IC 36-7.
- 2 ~~(f)~~ (e) An ordinance increasing a building permit fee on new
 3 development must:
- 4 (1) be published:
- 5 (A) one (1) time in accordance with IC 5-3-1; and
- 6 (B) not later than thirty (30) days after the ordinance is
 7 adopted by the legislative body in accordance with IC 5-3-1;
 8 and
- 9 (2) delay the implementation of the fee increase for ~~ninety (90)~~
 10 **one hundred eighty (180)** days after the date the ordinance is
 11 published under subdivision (1).
- 12 ~~(g)~~ (f) The notice requirements of subsection ~~(e)(2)~~ (c)(1) apply only
 13 if the municipal corporation received under IC 13-25-5-8.5(f) written
 14 notice that the department is relying on the environmental restrictive
 15 ordinance referred to in subsection ~~(e)(2)~~ (c)(1) as part of a risk based
 16 remediation proposal:
- 17 (1) approved by the department; and
- 18 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4, or
 19 IC 13-25-5.
- 20 SECTION 11. IC 36-4-6-14, AS AMENDED BY P.L.159-2011,
 21 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 14. (a) An ordinance, order, or resolution passed
 23 by the legislative body is considered adopted when it is:
- 24 (1) signed by the presiding officer; and
- 25 (2) either approved by the city executive or passed over the
 26 executive's veto by the legislative body, under section 16 of this
 27 chapter.
- 28 If required by statute, an adopted ordinance, order, or resolution must
 29 be promulgated or published before it takes effect.
- 30 (b) An ordinance prescribing a penalty or forfeiture for a violation
 31 must, before it takes effect, be published in the manner prescribed by
 32 IC 5-3-1, unless:
- 33 (1) it is published under subsection (c); or
- 34 (2) there is an urgent necessity requiring its immediate
 35 effectiveness, the city executive proclaims the urgent necessity,
 36 and copies of the ordinance are posted in three (3) public places
 37 in each of the districts from which members are elected to the
 38 legislative body.
- 39 (c) Except as provided in subsection (e), if a city publishes any of
 40 its ordinances in book or pamphlet form, no other publication is
 41 required. If an ordinance prescribing a penalty or forfeiture for a
 42 violation is published under this subsection, it takes effect two (2)



1 weeks after the publication of the book or pamphlet. Publication under
 2 this subsection, if authorized by the legislative body, constitutes
 3 presumptive evidence:

- 4 (1) of the ordinances in the book or pamphlet;
- 5 (2) of the date of adoption of the ordinances; and
- 6 (3) that the ordinances have been properly signed, attested,
 7 recorded, and approved.

8 (d) This section (other than subsection (f)) does not apply to a
 9 zoning ordinance or amendment to a zoning ordinance, or a resolution
 10 approving a comprehensive plan, that is adopted under IC 36-7.

11 (e) An ordinance increasing a building permit fee on new
 12 development must:

- 13 (1) be published:
 - 14 (A) one (1) time in accordance with IC 5-3-1; and
 - 15 (B) not later than thirty (30) days after the ordinance is
 16 adopted by the legislative body in accordance with IC 5-3-1;
 17 and
 - 18 (2) delay the implementation of the fee increase for ~~ninety (90)~~
 19 **one hundred eighty (180)** days after the date the ordinance is
 20 published under subdivision (1).

21 (f) Subject to subsection (j), the legislative body shall:

- 22 (1) subject to subsection (g), give written notice to the department
 23 of environmental management not later than sixty (60) days
 24 before amendment or repeal of an environmental restrictive
 25 ordinance; and
- 26 (2) give written notice to the department of environmental
 27 management not later than thirty (30) days after passage,
 28 amendment, or repeal of an environmental restrictive ordinance.

29 (g) Upon written request by the legislative body, the department of
 30 environmental management may waive the notice requirement of
 31 subsection (f)(1).

32 (h) An environmental restrictive ordinance passed or amended after
 33 2009 by the legislative body must state the notice requirements of
 34 subsection (f).

35 (i) The failure of an environmental restrictive ordinance to comply
 36 with subsection (h) does not void the ordinance.

37 (j) The notice requirements of subsection (f) apply only if the
 38 municipal corporation received under IC 13-25-5-8.5(f) written notice
 39 that the department is relying on the environmental restrictive
 40 ordinance referred to in subsection (f) as part of a risk based
 41 remediation proposal:

- 42 (1) approved by the department; and



- 1 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4, or
 2 IC 13-25-5.
- 3 SECTION 12. IC 36-5-2-10, AS AMENDED BY P.L.105-2013,
 4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2026]: Sec. 10. (a) An ordinance, order, or resolution passed
 6 by the legislative body is considered adopted when it is signed by the
 7 executive. If required by statute, an adopted ordinance, order, or
 8 resolution must be promulgated or published before it takes effect.
- 9 (b) An ordinance prescribing a penalty or forfeiture for a violation
 10 must, before it takes effect, be published in the manner prescribed by
 11 IC 5-3-1, unless:
- 12 (1) it is published under subsection (c); or
 13 (2) it declares an emergency requiring its immediate effectiveness
 14 and is posted in:
- 15 (A) one (1) public place in each district in the town; or
 16 (B) a number of public places in the town equal to the number
 17 of town legislative body members, if the town has abolished
 18 legislative body districts under section 4.1 of this chapter.
- 19 (c) Except as provided in subsection (e), if a town publishes any of
 20 its ordinances in book or pamphlet form, no other publication is
 21 required. If an ordinance prescribing a penalty or forfeiture for a
 22 violation is published under this subsection, it takes effect two (2)
 23 weeks after the publication of the book or pamphlet. Publication under
 24 this subsection, if authorized by the legislative body, constitutes
 25 presumptive evidence:
- 26 (1) of the ordinances in the book or pamphlet;
 27 (2) of the date of adoption of the ordinances; and
 28 (3) that the ordinances have been properly signed, attested,
 29 recorded, and approved.
- 30 (d) This section (other than subsection (f)) does not apply to a
 31 zoning ordinance or amendment to a zoning ordinance, or a resolution
 32 approving a comprehensive plan, that is adopted under IC 36-7.
- 33 (e) An ordinance increasing a building permit fee on new
 34 development must:
- 35 (1) be published:
- 36 (A) one (1) time in accordance with IC 5-3-1; and
 37 (B) not later than thirty (30) days after the ordinance is
 38 adopted by the legislative body in accordance with IC 5-3-1;
 39 and
- 40 (2) delay the implementation of the fee increase for ~~ninety (90)~~
 41 **one hundred eighty (180)** days after the date the ordinance is
 42 published under subdivision (1).



- 1 (f) Subject to subsection (j), the legislative body shall:
- 2 (1) subject to subsection (g), give written notice to the department
- 3 of environmental management not later than sixty (60) days
- 4 before amendment or repeal of an environmental restrictive
- 5 ordinance; and
- 6 (2) give written notice to the department of environmental
- 7 management not later than thirty (30) days after passage,
- 8 amendment, or repeal of an environmental restrictive ordinance.
- 9 (g) Upon written request by the legislative body, the department of
- 10 environmental management may waive the notice requirement of
- 11 subsection (f)(1).
- 12 (h) An environmental restrictive ordinance passed or amended after
- 13 2009 by the legislative body must state the notice requirements of
- 14 subsection (f).
- 15 (i) The failure of an environmental restrictive ordinance to comply
- 16 with subsection (h) does not void the ordinance.
- 17 (j) The notice requirements of subsection (f) apply only if the
- 18 municipal corporation received under IC 13-25-5-8.5(f) written notice
- 19 that the department is relying on the environmental restrictive
- 20 ordinance referred to in subsection (f) as part of a risk based
- 21 remediation proposal:
- 22 (1) approved by the department; and
- 23 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4, or
- 24 IC 13-25-5.
- 25 SECTION 13. IC 36-7-1-1.5 IS ADDED TO THE INDIANA CODE
- 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 27 1, 2026]: **Sec. 1.5. "Accessory dwelling unit" means a self-contained**
- 28 **living unit internal to or on the same lot or parcel as a single family**
- 29 **dwelling that:**
- 30 **(1) does not exceed the lesser of:**
- 31 **(A) seventy-five percent (75%) of the interior habitable**
- 32 **area (gross floor area) of the single family dwelling; or**
- 33 **(B) one thousand (1,000) square feet;**
- 34 **(2) includes its own cooking, sleeping, and sanitation facilities;**
- 35 **and**
- 36 **(3) complies with or is otherwise exempt from any applicable**
- 37 **building codes, fire safety codes, and other public health and**
- 38 **safety laws.**
- 39 **The term does not include a manufactured home (as defined in**
- 40 **IC 36-7-4-1106(b)) that is subject to the standards and**
- 41 **requirements set forth in IC 36-7-4-1106.**
- 42 SECTION 14. IC 36-7-1-4.5 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2026]: **Sec. 4.5. As used in this chapter, "Class 1 structure" has
3 the meaning set forth in IC 22-12-1-4.**

4 SECTION 15. IC 36-7-1-4.7 IS ADDED TO THE INDIANA CODE
5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
6 1, 2026]: **Sec. 4.7. As used in this chapter, "Class 2 structure" has
7 the meaning set forth in IC 22-12-1-5.**

8 SECTION 16. IC 36-7-1-6.8 IS ADDED TO THE INDIANA CODE
9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
10 1, 2026]: **Sec. 6.8. "Homeowners association" has the meaning set
11 forth in IC 32-25.5-2-4.**

12 SECTION 17. IC 36-7-2.3 IS ADDED TO THE INDIANA CODE
13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2026]:

15 **Chapter 2.3. Limits on Building and Construction Related Fees**

16 **Sec. 1. This chapter applies to a fee imposed by a unit for
17 approval of an application related to:**

18 **(1) construction or reconstruction of:**

- 19 **(A) residential buildings;**
20 **(B) commercial buildings;**
21 **(C) industrial buildings;**
22 **(D) any other building or building space; or**
23 **(E) an appurtenance to a building described in clauses (A)
24 through (D); or**

25 **(2) zoning, development, subdivision, classification, or
26 reclassification of land;**

27 **including a fee designated as a permit fee (including a fee for a
28 permit under IC 36-7-4-1109(f)), application fee, inspection fee,
29 processing fee, or by another name.**

30 **Sec. 2. As used in this chapter, "applicant" means a person who
31 submits an application that requires a fee described in section 1 of
32 this chapter.**

33 **Sec. 3. After December 31, 2026:**

34 **(1) Unless otherwise provided by law and subject to
35 subdivision (2), a unit may not assess a fee in an amount that
36 is more than is reasonably necessary to cover the applicable
37 cost to the unit to:**

- 38 **(A) process an application;**
39 **(B) inspect and review an applicant's plans; or**
40 **(C) prepare detailed statements for an applicant.**

41 **(2) Except as otherwise provided in this subdivision, any fee,
42 including a fee adopted before January 1, 2027, may be**



1 increased:

2 (A) once every five (5) years; and

3 (B) by an amount not to exceed the combined annual
4 percentage change in the Consumer Price Index for all
5 Urban Consumers, as published by the United States
6 Bureau of Labor Statistics, for the preceding five (5) years.

7 However, if the cost to the unit substantially changes from the
8 amount described in subdivision (1), the legislative body of the
9 unit may adjust the fee to accurately reflect the cost to the
10 unit after conducting a public hearing.

11 (3) Any fee assessed and collected by a unit must be
12 maintained in a special fund dedicated solely to reimbursing
13 the costs actually incurred by the unit relating to the
14 imposition and amount of the fee. Each fund shall be
15 maintained as a separate line item in the unit's budget. Money
16 in the fund may not at any time revert to the general fund or
17 any other fund of the unit.

18 SECTION 18. IC 36-7-2.5-23.5 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2026]: Sec. 23.5. (a) If a unit fails to meet the
21 deadlines set forth in this chapter, the unit shall:

22 (1) forfeit any regulatory fee owed by the applicant; and

23 (2) refund any regulatory fee that has been paid by the
24 applicant;

25 to the unit.

26 (b) This section does not apply if a unit fails to meet a deadline
27 set forth in this chapter as a result of a delay described in section
28 23 of this chapter.

29 SECTION 19. IC 36-7-4-1109, AS AMENDED BY P.L.223-2025,
30 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2026]: Sec. 1109. (a) As used in this section, "applicant"
32 means a person that applies to a local authority for a permit or
33 approval.

34 (b) As used in this section, "development agreement" means a
35 contract that is entered into between a person and a local authority
36 regarding the development of property and that is executed after June
37 30, 2025.

38 (c) As used in this section, "development standards" includes the
39 following:

40 (1) Project elements including:

41 (A) permitted uses;

42 (B) residential densities;



- 1 (C) nonresidential densities and intensities;
 2 (D) building sizes;
 3 (E) impact fees, inspection fees, or dedications;
 4 (F) mitigation measures, development conditions, and other
 5 requirements;
 6 (G) design standards;
 7 (H) affordable housing;
 8 (I) parks and open space preservation;
 9 (J) phasing; and
 10 (K) review procedures and standards for implementing
 11 decisions.
- 12 (2) Any other development requirement or procedure.
- 13 (d) As used in this section, "legal restrictions" means statutes,
 14 ordinances, rules, development standards, policies, and regulations.
 15 The term does not include building codes under IC 22-13.
- 16 (e) As used in this section, "local authority" includes any agency,
 17 officer, board, or commission of a local unit of government that may
 18 issue:
- 19 (1) a permit; or
 20 (2) an approval:
 21 (A) of a land use; or
 22 (B) for the construction of a development, a building, or
 23 another structure.
- 24 (f) As used in this section, "permit" means any of the following:
 25 (1) An improvement location permit.
 26 (2) A building permit.
 27 (3) A certificate of occupancy.
 28 (4) Approval of a site-specific development plan.
 29 (5) Approval of a primary or secondary plat.
 30 (6) Approval of a variance, contingent use, conditional use,
 31 special exception, or special use.
 32 (7) Approval of a planned unit development.
- 33 (g) If a person files with the appropriate local authority a complete
 34 application for a permit, as required by the legal restrictions of a local
 35 unit of government or a local authority, the granting of:
 36 (1) the permit; and
 37 (2) any secondary, additional, or related permits or approvals
 38 required from the same local authority with respect to the general
 39 subject matter of the application for the first permit;
 40 are governed, for a period of at least three (3) years after the date the
 41 person files a complete permit application, by the legal restrictions in
 42 effect and applicable to the property at the time the complete



- 1 application is filed.
- 2 (h) Subsection (g) applies even if the legal restrictions governing the
- 3 granting of the permit or approval are changed by the general assembly
- 4 or the applicable local legislative body or regulatory body:
- 5 (1) before the issuance of the permit;
- 6 (2) while the permit approval process is pending;
- 7 (3) before the issuance of any secondary, additional, or related
- 8 permits or approvals; or
- 9 (4) while the secondary, additional, or related permit or approval
- 10 process is pending.
- 11 Subsection (g) applies regardless of whether the changes to the legal
- 12 restrictions are part of a zoning ordinance, a subdivision control
- 13 ordinance, or a statute, ordinance, or regulation that is based on the
- 14 general police powers of the local unit of government. However, after
- 15 the issuance or approval of a permit subsection (g) does not apply if the
- 16 development or other activity to which the permit relates is not
- 17 completed within ten (10) years after the development or activity is
- 18 commenced.
- 19 (i) Subsection (j) applies if:
- 20 (1) either:
- 21 (A) a local authority issues to a person a permit or grants a
- 22 person approval for the construction of a development, a
- 23 building, or another structure; or
- 24 (B) a permit or approval is not required from the local
- 25 authority for the construction of the development, building, or
- 26 structure;
- 27 (2) before beginning the construction of the development,
- 28 building, or structure, the person must obtain a permit or approval
- 29 for the construction of the development, building, or structure
- 30 from a state governmental agency; and
- 31 (3) the person has applied for the permit or requested the approval
- 32 for the construction of the development, building, or structure
- 33 from the state governmental agency within ninety (90) days of
- 34 issuance of the permit or the granting of approval by the local
- 35 authority, as applicable.
- 36 (j) Subject to subsection (l), if the conditions of subsection (i) are
- 37 satisfied:
- 38 (1) a permit or approval issued or granted to a person by the local
- 39 authority for the construction of the development, building, or
- 40 structure; or
- 41 (2) the person's right to construct the development, building, or
- 42 structure without a permit or approval from the local authority;



1 is governed, for a period of at least three (3) years after the person
 2 applies to the state governmental agency for the permit, by the legal
 3 restrictions in effect and applicable to the property when the person
 4 applies for the permit or requests approval from the state governmental
 5 agency for the construction of the development, building, or structure.

6 (k) Subsection (j) applies even if the legal restrictions governing the
 7 granting of the permit or approval from the local authority are changed
 8 by the general assembly or the applicable local legislative body or
 9 regulatory body:

10 (1) before the commencement of the construction; or

11 (2) while the permit application or approval request is pending
 12 with the state governmental agency.

13 Subsection (j) applies regardless of whether the changes to the legal
 14 restrictions are part of a zoning ordinance, a subdivision control
 15 ordinance, or a statute, ordinance, or regulation that is based on the
 16 general police powers of the local unit of government. However,
 17 subsection (j) does not apply if the development or other activity to
 18 which the permit or approval request relates is not completed within
 19 ten (10) years after the development or activity is commenced.

20 (l) Subsection (j) does not apply to property when it is demonstrated
 21 by the local authority or state governmental agency that the
 22 construction of the development, building, or structure would cause
 23 imminent peril to life or property.

24 (m) A development agreement entered into by a local authority must
 25 set forth the legal restrictions, including development standards and
 26 any other provisions applying to and governing the use and
 27 development of the real property for the period specified in the
 28 development agreement. A development agreement must:

29 (1) reserve authority for the local authority to impose new or
 30 different legal restrictions to the extent required by a serious
 31 threat to public health and safety; and

32 (2) be consistent with applicable legal restrictions adopted by the
 33 local authority.

34 (n) Subject to subsection (j), the local authority's legal restrictions
 35 governing the development of the real property at the time the
 36 development agreement is executed govern the development of the real
 37 property for the period specified in the development agreement.

38 (o) This section does not authorize the impairment of any vested
 39 right or abrogate any rights vested under common law. Without
 40 limiting the time in which rights might vest, an applicant's rights are
 41 considered vested in land use when the applicant obtains a permit or
 42 reasonably relies on existing law regarding development of a specific



1 project. Rights considered vested under this subsection are not affected
2 by a subsequent amendment to a zoning ordinance.

3 (p) This section does not apply to building codes under IC 22-13.

4 (q) The following provision is considered to be included in any
5 regulation adopted under section 601(d)(2)(B) of this chapter that sets
6 forth requirements for signs:

7 "The owner of any sign that is otherwise allowed by this
8 regulation may substitute noncommercial copy in place of any
9 other commercial or noncommercial copy. This substitution of
10 copy may be made without the issuance of any additional permit
11 by a local authority. The purpose of this provision is to prevent
12 any inadvertent favoring of commercial speech over
13 noncommercial speech, or the favoring of any particular
14 noncommercial message over any other noncommercial message.
15 This provision prevails over any more specific provision in this
16 regulation to the contrary."

17 (r) After December 31, 2025, this subsection does not apply to a
18 permit to which IC 36-7-2.5 applies. A local authority must, not later
19 than twelve (12) business days after a person has filed a complete
20 application for a permit for which approval is ministerial under
21 IC 36-7-4-402 or an improvement location permit issued under the 800
22 series of this chapter and meets all conditions required under this
23 chapter and any other statute, issue the permit to the person.

24 **(s) This subsection applies after December 31, 2026. If a person**
25 **files with the appropriate local authority a complete application for**
26 **a permit or approval, the permit or approval must be granted, if**
27 **the project that is the subject of the application satisfies the legal**
28 **restrictions, including the zoning ordinance, zone maps, or**
29 **subdivision control ordinance in effect on the date the permit**
30 **application is submitted.**

31 SECTION 20. IC 36-7-4-1109.4, AS AMENDED BY P.L.223-2025,
32 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2025 (RETROACTIVE)]: Sec. 1109.4. (a) This section does
34 not apply to the issuance of:

35 (1) a design release or a plan review under IC 22-15;

36 (2) a Class 2 permit according to the timeline set forth in
37 ~~IC 36-2-7.5~~ **IC 36-7-2.5** (after December 31, 2025); or

38 (3) a permit according to the timeline set forth in section 1109(r)
39 of this chapter.

40 (b) A local authority shall review a permit application for
41 completeness. If a local authority determines that an application is
42 incomplete, the local authority must, not later than thirty (30) days after



1 receipt of the application, notify the applicant in writing of all defects
 2 in the application. If a local authority fails to notify an applicant as
 3 required under this subsection, the local authority shall consider the
 4 permit application to be complete.

5 (c) An applicant that receives a timely written notice that an
 6 application is incomplete under subsection (b) may:

7 (1) cure the defects in the application; and

8 (2) resubmit the corrected application to the local authority;
 9 not later than thirty (30) days after receiving the notice. If an applicant
 10 is unable to cure the defects within the thirty (30) day period, the
 11 applicant shall notify the local authority of the additional time the
 12 applicant requires to cure the defects.

13 (d) Subject to subsection (e), not more than ninety (90) days after
 14 making an initial determination of completeness under subsection (b),
 15 a local authority shall:

16 (1) review the application to determine if it complies with all
 17 applicable requirements; and

18 (2) notify the applicant in writing whether the application is
 19 approved or denied.

20 The local authority shall provide to the applicant the local authority's
 21 written determination and findings of fact.

22 (e) If an applicant requested additional time under subsection (c) to
 23 cure defects in the application, the ninety (90) day period set forth in
 24 subsection (d) is extended for a corresponding amount of time.

25 (f) Any official action on a previously approved permit application,
 26 including an extension of specific conditions set forth in the permit,
 27 must be made not later than sixty (60) days after the applicant's filing
 28 that initiated the official action. The local authority shall provide to the
 29 applicant the local authority's written determination and findings of fact
 30 with respect to the official action.

31 SECTION 21. IC 36-7-4-1311, AS AMENDED BY P.L.149-2016,
 32 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: Sec. 1311. (a) The legislative body of a unit may adopt
 34 an ordinance imposing an impact fee on new development in the
 35 geographic area over which the unit exercises planning and zoning
 36 jurisdiction. The ordinance must aggregate the portions of the impact
 37 fee attributable to the infrastructure types covered by the ordinance so
 38 that a single and unified impact fee is imposed on each new
 39 development.

40 (b) If the legislative body of a unit has planning and zoning
 41 jurisdiction over the entire geographic area covered by the impact fee
 42 ordinance, an ordinance adopted under this section shall be adopted in



1 the same manner that zoning ordinances are adopted under the 600
2 SERIES of this chapter.

3 (c) If the legislative body of a unit does not have planning and
4 zoning jurisdiction over the entire geographic area covered by the
5 impact fee ordinance but does have jurisdiction over one (1) or more
6 infrastructure types in the area, the legislative body shall establish the
7 portion of the impact fee schedule or formula for the infrastructure
8 types over which the legislative body has jurisdiction. The legislative
9 body of the unit having planning and zoning jurisdiction shall adopt an
10 impact fee ordinance containing that portion of the impact fee schedule
11 or formula if:

12 (1) a public hearing has been held before the legislative body
13 having planning and zoning jurisdiction; and

14 (2) each plan commission that has planning jurisdiction over any
15 part of the geographic area in which the impact fee is to be
16 imposed has approved the proposed impact fee ordinance by
17 resolution.

18 (d) An ordinance adopted under this section is the exclusive means
19 for a unit to impose an impact fee. **Except as provided in subsection**
20 **(e)**, an impact fee imposed on new development to pay for
21 infrastructure may not be collected after January 1, 1992, unless the
22 impact fee is imposed under an impact fee ordinance adopted under
23 this chapter.

24 **(e) This section applies to an impact fee imposed by a unit after**
25 **June 30, 2026. An impact fee imposed on new development to pay**
26 **for infrastructure may not be collected after June 30, 2026, unless**
27 **the impact fee is imposed under an impact fee ordinance that**
28 **complies with:**

29 (1) **section 1316.5 of this chapter; and**

30 (2) **any other applicable provision;**

31 **of this chapter. This subsection, in accordance with section 1109 of**
32 **this chapter, does not affect an impact fee that was imposed and**
33 **not collected by the unit before July 1, 2026.**

34 **(e) (f)** Notwithstanding any other provision of this chapter, the
35 following charges are not impact fees and may continue to be imposed
36 by units:

37 (1) Fees, charges, or assessments imposed for infrastructure
38 services under statutes in existence on January 1, 1991, if:

39 (A) the fee, charge, or assessment is imposed upon all users
40 whether they are new users or users requiring additional
41 capacity or services;

42 (B) the fee, charge, or assessment is not used to fund



1 construction of new infrastructure unless the new
 2 infrastructure is of the same type for which the fee, charge, or
 3 assessment is imposed and will serve the payer; and
 4 (C) the fee, charge, or assessment constitutes a reasonable
 5 charge for the services provided in accordance with
 6 IC 36-1-3-8(a)(6) or other governing statutes requiring that
 7 any fees, charges, or assessments bear a reasonable
 8 relationship to the infrastructure provided.

9 (2) Fees, charges, and assessments agreed upon under a
 10 contractual agreement entered into before April 1, 1991, or fees,
 11 charges, and assessments agreed upon under a contractual
 12 agreement, if the fees, charges, and assessments are treated as
 13 impact deductions under section 1321(d) of this chapter if an
 14 impact fee ordinance is in effect.

15 SECTION 22. IC 36-7-4-1312 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1312. (a) A unit may
 17 not adopt an impact fee ordinance under section 1311 of this series
 18 unless the unit has adopted a comprehensive plan under the 500
 19 SERIES of this chapter for the geographic area over which the unit
 20 exercises planning and zoning jurisdiction.

21 (b) Before the adoption of an impact fee ordinance under section
 22 1311 of this chapter, a unit shall establish an impact fee advisory
 23 committee. The advisory committee shall:

- 24 (1) be appointed by the executive of the unit;
- 25 (2) be composed of not less than five (5) and not more than ten
 26 (10) members with at least forty percent (40%) of the membership
 27 representing the development, building, or real estate industries,
 28 **including community members representing:**

- 29 **(A) a single-family builder;**
- 30 **(B) a multifamily builder; and**
- 31 **(C) a realtor;**

32 **who must be selected based upon the recommendation of the**
 33 **statewide trade association representing each industry; and**

34 (3) serve in an advisory capacity to assist and advise the unit with
 35 regard to the adoption of an impact fee ordinance under section
 36 1311 of this chapter.

37 (c) A planning commission or other committee in existence before
 38 the adoption of an impact fee ordinance that meets the membership
 39 requirements of subsection (b) may serve as the advisory committee
 40 that subsection (b) requires.

41 (d) Action of an advisory committee established under subsection
 42 (b) is not required as a prerequisite for the unit in adopting an impact



1 fee ordinance under section 1311 of this chapter.
 2 SECTION 23. IC 36-7-4-1316 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1316. **(a) This section**
 4 **only applies to an impact zone designated under section 1315 of**
 5 **this chapter before July 1, 2026.**
 6 **(b) A unit must include in an impact zone designated under section**
 7 ~~1315 of this chapter~~ the geographical area necessary to ensure that:
 8 (1) there is a functional relationship between the components of
 9 the infrastructure type in the impact zone;
 10 (2) the infrastructure type provides a reasonably uniform benefit
 11 throughout the impact zone; and
 12 (3) all areas included in the impact zone are contiguous.
 13 SECTION 24. IC 36-7-4-1316.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2026]: Sec. 1316.5. **(a) This section only**
 16 **applies to an impact zone designated under section 1315 of this**
 17 **chapter after June 30, 2026.**
 18 **(b) Subject to subsection (c), a unit must include in an impact**
 19 **zone the geographical area necessary to ensure that:**
 20 (1) there is a functional relationship between the components
 21 of the infrastructure type in the impact zone;
 22 (2) the infrastructure type provides a reasonably uniform
 23 benefit throughout the impact zone;
 24 (3) all areas included in the impact zone are contiguous; and
 25 (4) the impact zone is:
 26 (A) contiguous to the new development;
 27 (B) coterminous with a:
 28 (i) utility service; or
 29 (ii) distribution line of a type described in section 1309(1)
 30 or 1309(5) of this chapter, that may be necessary for the
 31 new development to interconnect with existing utility
 32 infrastructure; or
 33 (C) located not more than five (5) miles from the
 34 infrastructure type described in section 1309(3) and
 35 1309(4) of this chapter.
 36 **(c) If a unit:**
 37 (1) adopts an ordinance to adopt, renew, or amend an impact
 38 fee; or
 39 (2) has an existing impact fee ordinance that provides for an
 40 increase in the amount of an impact fee after a period of time;
 41 Then before a unit may adopt an ordinance under subdivision (1),
 42 or collect the increased impact fee under subdivision (2), the unit



- 1 must comply with subsection (d).
- 2 (d) The unit must hold a public hearing. Not less than forty-five
- 3 (45) days before the date of the public hearing, the unit must do the
- 4 following:
- 5 (1) If the unit has a website, post on the website:
- 6 (A) notice of the public hearing;
- 7 (B) a summary of the impact fee proposed for adoption,
- 8 renewal, amendment or subject to increase under an
- 9 existing ordinance; and
- 10 (C) the impact zone improvement plan.
- 11 (2) Publish notice of the public hearing under IC 5-3-1
- 12 providing:
- 13 (A) a summary of the impact fee proposed for adoption,
- 14 renewal, amendment or subject to increase under an
- 15 existing ordinance;
- 16 (B) the web address (if any) where the information posted
- 17 under subdivision (1) is located; and
- 18 (C) the location where the public may inspect and copy the
- 19 zone improvement plan.
- 20 SECTION 25. IC 36-7-4.3 IS ADDED TO THE INDIANA CODE
- 21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 22 1, 2026]:
- 23 **Chapter 4.3. Increasing Housing Development**
- 24 **Sec. 1. As used in this chapter, "unit" means a county, city, or**
- 25 **town.**
- 26 **Sec. 2. As used in this chapter, "UDO" means a unified**
- 27 **development ordinance.**
- 28 **Sec. 3. Not later than January 1, 2027, a unit conduct a public**
- 29 **hearing to review the UDO and any zoning regulations and land**
- 30 **development rules, with the goal of increasing housing**
- 31 **development by using the following factors:**
- 32 (1) Providing for higher density development of duplexes,
- 33 triplexes, and fourplexes in areas designated for single family
- 34 homes.
- 35 (2) Constructing other housing types including accessory
- 36 dwelling units and manufactured and modular housing.
- 37 (3) Adaptive reuse of commercial buildings for residential use
- 38 such as allowing multifamily development in retail, office, and
- 39 light manufacturing zones.
- 40 (4) Increasing the allowable floor area ratio in multifamily
- 41 housing areas.
- 42 (5) Waiving or eliminating regulations such as requirements



- 1 **for:**
- 2 **(A) garage size and placement;**
- 3 **(B) steeper roof pitch;**
- 4 **(C) minimum lot size and square footage;**
- 5 **(D) greater setbacks;**
- 6 **(E) off-street parking;**
- 7 **(F) design standards that restrict or prohibit the use of**
- 8 **code compliant products; or**
- 9 **(G) property height limitations.**
- 10 **(6) Reviewing impact fee zones with zone advisory committee**
- 11 **for improvements.**
- 12 **(7) Streamlining or shortening the permitting processes and**
- 13 **timelines, including through one stop and parallel process**
- 14 **permitting by fifteen (15) days or more.**
- 15 **(8) Using property tax abatements to enable higher density**
- 16 **and mixed income communities.**
- 17 **(9) Donating vacant land for affordable housing development.**

18 **Sec. 4. Not later than January 1, 2027, the unit shall submit a**
 19 **report to the executive director of legislative services agency by**
 20 **electronic means under IC 5-14-6 that contains the following:**

- 21 **(1) If the unit:**
- 22 **(A) invested in a housing study in 2021, 2022, 2023, 2024,**
- 23 **or 2025; or**
- 24 **(B) had a housing study performed by a region's local**
- 25 **economic development organization;**
- 26 **a copy of the housing study.**
- 27 **(2) The minutes from the public hearing conducted under**
- 28 **section 4 of this chapter.**
- 29 **(3) Any newly developed or amended UDO as a result of the**
- 30 **review under section 3 of this chapter. The unit must provide**
- 31 **a written description of the ways in which the UDO was**
- 32 **changed to support increased housing development by using**
- 33 **some or all of the factors set forth in section 3 of this chapter.**

34 SECTION 26. IC 36-7-14-53, AS AMENDED BY P.L.204-2023,
 35 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2026]: Sec. 53. (a) A commission may establish a residential
 37 housing development program by resolution for the construction of new
 38 residential housing or the renovation of existing residential housing in
 39 an area within the jurisdiction of the commission.

40 (b) The program, which may include any relevant elements the
 41 commission considers appropriate, may be adopted as part of a
 42 redevelopment plan or amendment to a redevelopment plan, and must



1 establish an allocation area for purposes of sections 39 and 56 of this
 2 chapter for the accomplishment of the program. The program must be
 3 approved by the municipal legislative body or county executive as
 4 specified in section 17 of this chapter.

5 (c) The notice and hearing provisions of sections 17 and 17.5 of this
 6 chapter, including notice under section 17(c) of this chapter to a taxing
 7 unit that is wholly or partly located within an allocation area, apply to
 8 the resolution adopted under subsection (b). Judicial review of the
 9 resolution may be made under section 18 of this chapter.

10 (d) Before formal submission of any residential housing
 11 development program to the commission, the department of
 12 redevelopment shall:

13 (1) consult with persons interested in or affected by the proposed
 14 program, including the superintendents and governing body
 15 presidents of all school corporations located within the proposed
 16 allocation area;

17 (2) provide the affected neighborhood associations, residents, and
 18 township assessors with an adequate opportunity to participate in
 19 an advisory role in planning, implementing, and evaluating the
 20 proposed program; and

21 (3) hold at least one (1) public meeting to obtain the views of
 22 neighborhood associations and residents of the affected
 23 neighborhood. The department of redevelopment shall send notice
 24 thirty (30) days prior to the public meeting to the fiscal officer of
 25 all affected taxing units and to the superintendents and governing
 26 body presidents of all school corporations located within the
 27 proposed allocation area.

28 (e) A residential housing development program established under
 29 this section must terminate not later than **the earlier of:**

30 **(1) ~~twenty (20)~~ twenty-five (25) years** after the date on which the
 31 first obligation was incurred to pay principal and interest on
 32 bonds or lease rentals on leases payable from tax increment
 33 revenues from the program; **or**

34 **(2) the date on which the bond obligations or lease rentals**
 35 **described in subdivision (1) are satisfied.**

36 (f) A county or municipality may request from the department of
 37 local government finance a report, if it exists, describing the effect of
 38 current assessed value allocated to tax increment financing allocation
 39 areas on the amount of the tax levy or proceeds and the credit for
 40 excessive property taxes under IC 6-1.1-20.6 for the taxing units within
 41 the boundaries of the residential housing development program.

42 SECTION 27. IC 36-7-14-53.1 IS REPEALED [EFFECTIVE JULY



1 1, 2026]. Sec. 53.1: (a) Section 53 of this chapter as amended by the
 2 general assembly in the 2023 session or subsequent session expires
 3 June 30, 2027.

4 (b) This section applies beginning July 1, 2027, and is intended to
 5 reinstate section 53 of this chapter as it was in effect on January 1,
 6 2023.

7 (c) Subject to subsection (i), a commission may establish a
 8 residential housing development program by resolution for the
 9 construction of new residential housing or the renovation of existing
 10 residential housing in an area within the jurisdiction of the commission
 11 if:

12 (1) for a commission established by a county, the average of new,
 13 single family residential houses constructed within the township
 14 in which the area is located during the preceding three (3)
 15 calendar years is less than one percent (1%) of the total number
 16 of single family residential houses within that township on
 17 January 1 of the year in which the resolution is adopted; or

18 (2) for a commission established by a municipality, the average
 19 of new, single family residential houses constructed within the
 20 municipal boundaries during the preceding three (3) calendar
 21 years is less than one percent (1%) of the total number of single
 22 family residential houses within the boundaries of the
 23 municipality on January 1 of the year in which the resolution is
 24 adopted.

25 However, the calculations described in subdivisions (1) and (2) and the
 26 provisions of subsection (h) do not apply for purposes of establishing
 27 a residential housing development program within an economic
 28 development target area designated under IC 6-1.1-12.1-7.

29 (d) The program, which may include any relevant elements the
 30 commission considers appropriate, may be adopted as part of a
 31 redevelopment plan or amendment to a redevelopment plan, and must
 32 establish an allocation area for purposes of sections 39 and 56 of this
 33 chapter for the accomplishment of the program. The program must be
 34 approved by the municipal legislative body or county executive as
 35 specified in section 17 of this chapter.

36 (e) The notice and hearing provisions of sections 17 and 17.5 of this
 37 chapter, including notice under section 17(c) of this chapter to a taxing
 38 unit that is wholly or partly located within an allocation area, apply to
 39 the resolution adopted under subsection (d). Judicial review of the
 40 resolution may be made under section 18 of this chapter.

41 (f) Before formal submission of any residential housing
 42 development program to the commission, the department of



- 1 redevelopment shall:
- 2 (1) consult with persons interested in or affected by the proposed
- 3 program; including the superintendents and governing body
- 4 presidents of all school corporations located within the proposed
- 5 allocation area;
- 6 (2) provide the affected neighborhood associations; residents; and
- 7 township assessors with an adequate opportunity to participate in
- 8 an advisory role in planning, implementing, and evaluating the
- 9 proposed program; and
- 10 (3) hold at least one (1) public meeting to obtain the views of
- 11 neighborhood associations and residents of the affected
- 12 neighborhood. The department of redevelopment shall send notice
- 13 thirty (30) days prior to the public meeting to the fiscal officer of
- 14 all affected taxing units and to the superintendents and governing
- 15 body presidents of all school corporations located within the
- 16 proposed allocation area.
- 17 (g) A residential housing development program established under
- 18 this section must terminate not later than twenty-five (25) years after
- 19 the date on which the first obligation was incurred to pay principal and
- 20 interest on bonds or lease rentals on leases payable from tax increment
- 21 revenues from the program.
- 22 (h) The department of local government finance in cooperation with
- 23 either the appropriate county agency or the appropriate municipal
- 24 agency; or both; shall determine whether a county or municipality
- 25 meets the threshold requirements under subsection (c). In making the
- 26 determination; the department of local government finance may request
- 27 information necessary to make the determination. A county or
- 28 municipality may request from the department of local government
- 29 finance a report; if it exists; describing the effect of current assessed
- 30 value allocated to tax increment financing allocation areas on the
- 31 amount of the tax levy or proceeds and the credit for excessive property
- 32 taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of
- 33 the residential housing development program.
- 34 (i) A program established under subsection (c) may not take effect
- 35 until the governing body of each school corporation affected by the
- 36 program passes a resolution approving the program.
- 37 **SECTION 28. [EFFECTIVE UPON PASSAGE] (a) The legislative**
- 38 **council is urged to assign to the appropriate interim study**
- 39 **committee the task of studying the topic of making residential**
- 40 **affordable housing a permitted use in an area zoned for residential**
- 41 **or commercial use if:**
- 42 (1) a religious institution is the developer of the property or a



- 1 **developer working on behalf of a religious institution;**
- 2 **(2) the development is located on property owned by the**
- 3 **religious institution; and**
- 4 **(3) the development exclusively contains affordable housing.**

5 **(b) This section expires December 31, 2026.**

6 SECTION 29. IC 36-7-18-16 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) A housing
 8 authority may:

- 9 (1) prepare, carry out, acquire, lease, and operate housing
- 10 projects; and
- 11 (2) provide for the construction, reconstruction, improvement,
- 12 alteration, or repair of all or part of a housing project.

13 (b) Notwithstanding subsection (a), a housing project may not be
 14 built if the average construction cost, exclusive of the cost of land,
 15 demolition, and nondwelling facilities, is more than:

- 16 (1) ~~two~~ **four** thousand dollars ~~(\$2,000)~~ **(\$4,000)** per room;
- 17 (2) ~~ten~~ **fifteen** thousand dollars ~~(\$10,000)~~ **(\$15,000)** per room, if
- 18 the accommodations are designed specifically for persons of low
- 19 income who:

20 (A) have attained the age at which they may elect to receive
 21 old age benefits under Title 2 of the Social Security Act (42
 22 U.S.C. 401-433); or

23 (B) are under disability (as defined in Section 223 of that Act
 24 (42 U.S.C. 423)); or

25 (3) any greater amount established by the federal government as
 26 the basis for computing any of its annual contributions.

27 (c) Notwithstanding subsection (b), if the housing authority finds
 28 that:

- 29 (1) compliance with the cost limitations in subsection (b) would
- 30 require the sacrifice of sound standards of construction, design,
- 31 and livability in a project; and
- 32 (2) there is an acute need for the proposed housing;

33 it may exceed the cost limitation that would otherwise be applicable
 34 under subsection (b) by not more than ~~seven hundred fifty dollars~~
 35 ~~(\$750) per room: an amount necessary to make the project~~
 36 **financially feasible.**

37 SECTION 30. IC 36-7-18-31, AS AMENDED BY P.L.230-2025,
 38 SECTION 144, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2026]: Sec. 31. (a) Issues of bonds, notes, or
 40 warrants of a housing authority must be approved by the fiscal body of
 41 the unit after a public hearing, with notice of the time, place, and
 42 purpose of the hearing given by publication in accordance with



1 IC 5-3-1. The bonds, notes, or warrants must then be authorized by
2 resolution of the authority.

3 (b) After the bonds, notes, or warrants have been approved under
4 subsection (a), they may be issued in one (1) or more series, with the:

- 5 (1) dates;
- 6 (2) maturities;
- 7 (3) denominations;
- 8 (4) form, either coupon or registered;
- 9 (5) conversion or registration privileges;
- 10 (6) rank or priority;
- 11 (7) manner of execution;
- 12 (8) medium of payment;
- 13 (9) places of payment; and
- 14 (10) terms of redemption, with or without premium;

15 provided by the resolution or its trust indenture or mortgage.

16 (c) **Except as provided in subsection (g)**, the bonds, notes, or
17 warrants shall be sold at a public sale under IC 5-1-11, for not less than
18 par value, after notice published in accordance with IC 5-3-1. However,
19 they may be sold at not less than par value to the federal government:

- 20 (1) at private sale without any public advertisement; or
- 21 (2) alternatively, at a negotiated sale.

22 (d) If any of the commissioners or officers of the housing authority
23 whose signatures appear on any bonds, notes, or warrants or coupons
24 cease to be commissioners or officers before the delivery, exchange, or
25 substitution of the bonds, notes, or warrants, their signatures remain
26 valid and sufficient for all purposes, as if they had remained in office
27 until the delivery, exchange, or substitution.

28 (e) Subject to provision for registration and notwithstanding any
29 other law, any bonds, notes, or warrants issued under this chapter are
30 fully negotiable.

31 (f) In any proceedings involving the validity or enforceability of any
32 bond, note, or warrant of a housing authority or of its security, if the
33 instrument states that it has been issued by the authority to aid in
34 financing a housing project to provide dwelling accommodations for
35 persons of low income, it shall be conclusively presumed to have been
36 issued for that purpose and the project shall be conclusively presumed
37 to have been planned, located, and constructed in accordance with this
38 chapter.

39 (g) **Notwithstanding subsection (c), the bonds, notes, or**
40 **warrants of a housing authority may be sold at a negotiated sale**
41 **and may be sold at less than par value at a negotiated sale.**

42 SECTION 31. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 1, delete "IC 5-20-1-28" and insert "IC 5-20-1-28.5".

Page 1, line 3, delete "Sec. 28." and insert "**Sec. 28.5.**".

Page 8, line 4, delete "IC 36-7-1-21.5" and insert "IC 36-7-1-21.8".

Page 8, line 6, delete "Sec. 21.5." and insert "**Sec. 21.8.**".

Page 9, line 24, delete "IC 36-7-4-201.5" and insert "IC 36-7-4-201.3".

Page 9, line 26, delete "Sec. 201.5." and insert "**Sec. 201.3.**".

Page 17, line 4, delete "June 30, 2025." and insert "**June 30, 2026.**".

Page 17, line 5, delete "June 30, 2025," and insert "**June 30, 2026,**".

Page 17, line 12, delete "July 1, 2025." and insert "**July 1, 2026.**".

Page 17, line 39, delete "January 1, 2026." and insert "**July 1, 2026.**".

Page 18, line 9, delete "December 31, 2025." and insert "**June 30, 2026.**".

Page 20, line 2, delete "townhouse" and insert "**duplex**".

Page 20, line 15, delete "townhouses" and insert "**duplexes**".

Page 20, line 19, delete "three (3) townhouses." and insert "**one (1) duplex.**".

Page 20, line 28, delete "townhouse" and insert "**duplex**".

Page 20, line 33, delete "townhouse" and insert "**duplex**".

Page 21, delete lines 20 through 21, begin a new paragraph and insert:

"(d) A unit may not prohibit the construction of an accessory dwelling unit with a will-serve letter and that meets the unit's requirements regarding:

(1) setbacks;

(2) size; or

(3) architectural or visual continuity with the existing structure.

(e) Except for infrastructure identified in IC 36-7-4-1309(2), a unit may not charge an impact fee for an accessory dwelling unit. The impact fee for infrastructure identified in IC 36-7-4-1309(2) shall not exceed fifty percent (50%) of the impact fee rate charged for a single family dwelling."

Page 21, line 36, delete "townhouse:" and insert "**duplex:**".

Page 22, line 14, delete "townhouse." and insert "**duplex.**".



Page 24, delete lines 29 through 31, begin a new paragraph and insert:

"(b) Except for infrastructure identified in IC 36-7-4-1309(2), an impact fee may not be charged by the unit unless the land was subject to an impact fee before a building permit related conversion was filed with the unit. The impact fee for infrastructure identified in IC 36-7-4-1309(2) shall not exceed fifty percent (50%) of the impact fee rate charged for a single family dwelling."

Page 25, line 12, delete "IC 36-7-4-201.5" and insert **"IC 36-7-4-201.3"**.

Page 25, line 28, delete "IC 36-7-4.1-11." and insert **"section 11 of this chapter"**.

Page 26, delete lines 35 through 42.

Page 27, delete lines 1 through 32.

Page 27, line 33, delete "20." and insert **"19"**.

Page 27, line 36, delete "unit may not require a".

Page 27, line 37, delete "six (6)" and insert **"three (3)"**.

Page 27, line 39, delete "to have a passenger elevator" and insert **"shall be permitted to have a passenger elevator not"**.

Page 27, line 41, delete "Sec. 21. Nothing" and insert **"Sec. 20. Notwithstanding section 19 of this chapter, nothing"**.

Page 28, line 4, delete "agreement;" and insert **"agreement, including restrictions relating to an accessory dwelling unit;"**.

Page 28, line 13, delete "22." and insert **"21"**.

Page 28, line 17, delete "23." and insert **"22"**.

and when so amended that said bill do pass.

(Reference is to HB 1001 as introduced.)

MAY

Committee Vote: yeas 7, nays 3.



HOUSE MOTION

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 1, delete lines 11 through 15, begin a new paragraph and insert:

"(d) The housing progress report must provide the following information for the immediately preceding year:

- (1) The number of housing proposals that were submitted to the unit.**
- (2) The number of housing proposals that were approved by the unit.**
- (3) The number of housing proposals that were denied by the unit.**
- (4) The calendar days spent by the unit in processing housing proposal applications.**
- (5) Any impact fees that were adopted by the unit. If impact fees were adopted, the unit must provide a copy of the zone improvement plan."**

Page 2, delete lines 1 through 5.

Page 17, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 15. IC 36-7-4-1312 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1312. (a) A unit may not adopt an impact fee ordinance under section 1311 of this series unless the unit has adopted a comprehensive plan under the 500 SERIES of this chapter for the geographic area over which the unit exercises planning and zoning jurisdiction.

(b) Before the adoption of an impact fee ordinance under section 1311 of this chapter, a unit shall establish an impact fee advisory committee. The advisory committee shall:

- (1) be appointed by the executive of the unit;
- (2) be composed of not less than five (5) and not more than ten (10) members with at least forty percent (40%) of the membership representing the development, building, or real estate industries, **including community members representing:**
 - (A) a single-family builder;**
 - (B) a multifamily builder; and**
 - (C) a realtor;**

who must be selected based upon the recommendation of the statewide trade association representing each industry; and

- (3) serve in an advisory capacity to assist and advise the unit with regard to the adoption of an impact fee ordinance under section 1311 of this chapter.

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(c) A planning commission or other committee in existence before the adoption of an impact fee ordinance that meets the membership requirements of subsection (b) may serve as the advisory committee that subsection (b) requires.

(d) Action of an advisory committee established under subsection (b) is not required as a prerequisite for the unit in adopting an impact fee ordinance under section 1311 of this chapter."

Page 18, line 26, delete "1309(2), 1309(3)," and insert "**1309(3)**".

Page 18, between lines 27 and 28, begin a new paragraph and insert:

"(c) Before a municipality may adopt an impact fee, the unit must hold a public hearing. Not less than forty-five (45) days before the date of the public hearing, the unit must do the following:

(1) If the unit has a website, post on the website:

(A) notice of the public hearing;

(B) a summary of the proposed impact fee; and

(C) the impact zone improvement plan.

(2) Publish notice of the public hearing under IC 5-3-1 providing:

(A) a summary of the proposed impact fee;

(B) the web address (if any) where the information posted under subdivision (1) is located; and

(C) the location where the public may inspect and copy the zone improvement plan."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 20, 2026.)

MILLER D

HOUSE MOTION

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 2, between lines 9 and 10, begin a new paragraph and insert:

"SECTION 2. IC 5-20-1-29 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 29. (a) As used in this section, "unit" means a county, city, or town.**

(b) Not later than January 1, 2027, and not later than January 1 of each year thereafter, a unit shall report the following

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information to the authority regarding the status of housing in the unit for the prior calendar year:

- (1) The average and median home sale prices and the year over year change.
 - (2) The median rent prices and year over year change.
 - (3) The number of residential dwelling units constructed and occupied in total and by type.
 - (4) The percentage of new residential dwelling units constructed that are listed at each of the following:
 - (A) Eighty percent (80%) or less of the unit's median income.
 - (B) Eighty-one percent (81%) to one hundred nineteen percent (119%) of the unit's median income.
 - (C) One hundred twenty percent (120%) or more of the unit's median income.
 - (5) Any statutory requirements the unit opted out of by ordinance, including the following:
 - (A) The date the unit enacted the ordinance.
 - (B) The geographic scope of the opt out.
 - (C) The unit's justification for opting out of the statutory requirement.
- (c) A unit shall use applicable data and information from the 2025 calendar year as a reference point for the information required to be reported under subsection (b).
- (d) The authority must compile and publish on the authority's website an annual report of the information reported by units under subsection (b) that includes at least the following:
- (1) Regional comparisons of the information provided under subsection (b).
 - (2) An evaluation of the outcomes of housing legislation enacted during the 2026 legislative session."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 20, 2026.)

JOHNSON B



COMMITTEE REPORT

Mr. President: The Senate Committee on Judiciary, to which was referred House Bill No. 1001, 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 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 5-20-1-28.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 28.5. (a) This section applies to a local unit exercising planning and zoning powers under IC 36-7-4.**

(b) As used in this section, "local unit" means a county, city, or town.

(c) Beginning January 1, 2027, and January 1 of each year thereafter, a local unit shall submit a housing progress report to:

- (1) the authority; and**
- (2) the executive director of the legislative services agency, in an electronic format under IC 5-14-6.**

(d) The housing progress report must provide the following information for the immediately preceding year:

- (1) The total number of proposed residential housing units submitted to the local unit.**
- (2) The total number of proposed residential housing units that were approved by the local unit.**
- (3) The total number of proposed residential units that were denied by the local unit.**
- (4) The total number of net new residential housing units submitted to the local unit. The total number of net new residential housing units is determined by subtracting the number of residential housing units that the local unit lost in the immediately preceding year through:**
 - (A) demolition;**
 - (B) conversion to non-residential use; or**
 - (C) combining units;**

from the total number of proposed residential units submitted to the local unit under subdivision (1).

- (5) The total number of new residential housing units that:**
 - (A) are entitled;**
 - (B) have been platted;**
 - (C) have been issued a building permit; and**
 - (D) have received a certificate of occupancy or completion and compliance by the local unit.**



(6) The calendar days spent by the local unit in processing housing proposal applications.

(e) If the number of proposed residential housing units reported under subsection (d)(1) does not equal the sum of the number of proposed residential housing units reported under subsection (d)(2) and (d)(3), information must be provided to explain the discrepancy.

SECTION 2. IC 5-20-1-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 29. (a) As used in this section, "local unit" means a county, city, or town.**

(b) Beginning January 1, 2027, and January 1 of each year thereafter, a local unit shall report the following information to the authority and the executive director of the legislative services agency, in an electronic format under IC 5-14-6, regarding the status of housing in the local unit for the prior calendar year:

(1) The average and median home sale prices and the year over year change.

(2) The median rent prices and year over year change.

(3) The number of residential dwelling units constructed and occupied in total and by type.

(4) The percentage of new residential dwelling units constructed that are listed at each of the following:

(A) Eighty percent (80%) or less of the local unit's median income.

(B) Eighty-one percent (81%) to one hundred nineteen percent (119%) of the local unit's median income.

(C) One hundred twenty percent (120%) or more of the local unit's median income.

(5) Any provisions under IC 36-7-4-201.3, IC 36-7-4.1, or IC 36-7-4.2 that the local unit opted out of by ordinance, including the following:

(A) The date the local unit enacted the ordinance.

(B) The geographic scope of the opt out.

(C) The local unit's justification for opting out of the statutory requirement.

(c) A local unit shall use applicable data and information from the 2025 calendar year as a reference point for the information required for the January 1, 2027, report under subsection (b).

(d) The authority must compile and publish on the authority's website an annual report of the information reported by local units under subsection (b) that includes at least the following:



(1) Regional comparisons of the information provided under subsection (b).

(2) An evaluation of the outcomes of housing legislation enacted during the 2026 legislative session.

SECTION 3. IC 13-14-1-19 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 19. (a) Not later than December 1, 2026, the department shall do the following:**

(1) Conduct a review of the Indiana Storm Water Quality Manual to determine whether:

(A) the recommendations in the Indiana Storm Water Quality Manual are cost effective; and

(B) any new or revised recommendations are necessary.

(2) Submit a report of its findings and recommendations under subdivision (1) to the legislative council in an electronic format under IC 5-14-6.

(b) The Indiana Storm Water Quality Manual with respect to storm water management basins:

(1) may not require a pond bank ratio greater than three (3) to one (1); and

(2) must require a ten (10) foot maintenance ledge or a ten (10) foot safety ledge, but may not require both.

The department shall make changes to the Indiana Storm Water Quality Manual to comply with this subsection not later than December 1, 2026.

SECTION 4. IC 14-8-2-167.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 167.5. "Mitigation, for purposes of IC 14-28-1-41, has the meaning set forth in IC 14-28-1-41.**

SECTION 5. IC 14-8-2-289, AS AMENDED BY P.L.35-2024, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 289. "Unit of local government", for purposes of IC 14-12-1, IC 14-15-14, and IC 14-22-10, and IC 14-28-1-41, means a:**

- (1) county;
- (2) city;
- (3) town; or
- (4) township;

located in Indiana.

SECTION 6. IC 14-28-1-41 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 41. (a) As used in this section, "mitigation" includes**

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artificial storage used to balance the loss of natural flood storage capacity as a result of placing fill material within a flood plain.

(b) The state or a unit of local government may not require a person who intends to fill land in a flood plain to provide mitigation at a ratio greater than three (3) (mitigated land) to one (1) (filled land).

SECTION 7. IC 22-13-2-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.6. (a) The following may not adopt rules requiring the installation of an arc-fault circuit interrupter (AFCI) in a Class 2 structure or a structure classified as an R-2 building occupancy classification under the Indiana building code constructed after June 30, 2026:

(1) The commission.

(2) Another state agency.

(b) A political subdivision may not adopt an ordinance or other regulation requiring the installation of an arc-fault circuit interrupter (AFCI) in a Class 2 structure or a structure classified as an R-2 building occupancy classification under the Indiana building code constructed after June 30, 2026.

(c) A ordinance or other regulation adopted before July 1, 2026, is void to the extent the ordinance or regulation conflicts with this section.

SECTION 8. IC 22-13-2-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.7. (a) A state agency or a political subdivision (as defined in IC 36-1-2-13) may not require an emergency responder communications enhancement system (ERCES) or similar system to be installed in:

(1) a new Class 1 structure constructed; or

(2) an existing Class 1 structure that is reconstructed, remodeled, or renovated;

after June 30, 2026.

(b) An ordinance or other regulation adopted by a political subdivision before July 1, 2026, is void to the extent the ordinance or regulation conflicts with this section."

Delete page 2.

Page 3, delete lines 1 through 7.

Page 9, line 28, delete "impact fee under IC 36-7-4-1300,".

Page 10, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 18. IC 36-7-2.5-23.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2026]: **Sec. 23.5. (a) If a unit fails to meet the deadlines set forth in this chapter, the unit shall:**

- (1) forfeit any regulatory fee owed by the applicant; and**
- (2) refund any regulatory fee that has been paid by the applicant;**

to the unit.

(b) This section does not apply if a unit fails to meet a deadline set forth in this chapter as a result of a delay described in section 23 of this chapter."

Page 10, line 26, delete "section." and insert "**section, not later than December 31, 2026.**".

Page 11, line 34, delete "section:" and insert "**section, not later than December 31, 2026:**".

Page 11, after line 42, begin a new paragraph and insert:

"SECTION 20. IC 36-7-4-701.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 701.5. (a) A legislative body may not adopt a subdivision control ordinance, including an ordinance for sliding scale subdivision, that allows an owner of property to restrict any subdivision of all or a part of the owner's property for a period of years by:**

- (1) recording the subdivision restriction on the final plat and incorporating the restriction as a recorded commitment on any deed that conveys the parcel; or**
- (2) any other method.**

(b) This section does not affect any property to which section 1109 of this chapter applies, for which a complete application for approval of a primary or secondary plat was filed before July 1, 2026."

Page 19, delete lines 33 through 42, begin a new paragraph and insert:

"SECTION 26. IC 36-7-4-1316.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1316.5. (a) This section only applies to an impact zone designated under section 1315 of this chapter after June 30, 2026.**

(b) Subject to subsection (c), a unit must include in an impact zone the geographical area necessary to ensure that:

- (1) there is a functional relationship between the components of the infrastructure type in the impact zone;**
- (2) the infrastructure type provides a reasonably uniform benefit throughout the impact zone;**



- (3) all areas included in the impact zone are contiguous; and
- (4) the impact zone is:
- (A) contiguous to the new development;
 - (B) coterminous with a:
 - (i) utility service; or
 - (ii) distribution line of a type described in section 1309(1) or 1309(5) of this chapter, that may be necessary for the new development to interconnect with existing utility infrastructure; or
 - (C) located not more than five (5) miles from the infrastructure type described in section 1309(3) and 1309(4) of this chapter.
- (c) If a unit:
- (1) adopts an ordinance to adopt, renew, or amend an impact fee; or
 - (2) has an existing impact fee ordinance that provides for an increase in the amount of an impact fee after a period of time;
- Then before a unit may adopt an ordinance under subdivision (1), or collect the increased impact fee under subdivision (2), the unit must comply with subsection (d).
- (d) The unit must hold a public hearing. Not less than forty-five (45) days before the date of the public hearing, the unit must do the following:
- (1) If the unit has a website, post on the website:
 - (A) notice of the public hearing;
 - (B) a summary of the impact fee proposed for adoption, renewal, amendment or subject to increase under an existing ordinance; and
 - (C) the impact zone improvement plan.
 - (2) Publish notice of the public hearing under IC 5-3-1 providing:
 - (A) a summary of the impact fee proposed for adoption, renewal, amendment or subject to increase under an existing ordinance;
 - (B) the web address (if any) where the information posted under subdivision (1) is located; and
 - (C) the location where the public may inspect and copy the zone improvement plan.

SECTION 27. IC 36-7-4.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:



Chapter 4.1. Parking, Lot Size, Density, Single Stair and Elevator Requirements

Sec. 1. The definitions in IC 36-7-1 and IC 36-1-2 apply throughout this chapter.

Sec. 2. This chapter does not apply to property within:

- (1) a historic area or historic zoning district created under:
 - (A) IC 36-7-11;
 - (B) IC 36-7-11.1;
 - (C) IC 36-7-11.2; or
 - (D) IC 36-7-11.3;
- (2) a flood plain (as defined in IC 14-8-2-99); or
- (3) subject to a homeowner's association.

Sec. 3. As used in this chapter, "heavy industrial use" means a storage, processing, or manufacturing use:

- (1) with processes using flammable or explosive materials;
- (2) with hazardous conditions; or
- (3) that is noxious or offensive from odors, smoke, noise, fumes, or vibrations.

Sec. 4. As used in this chapter, "mixed use residential" means a development project that provides within a shared building or development area:

- (1) residential uses, including multiple dwelling units; and
- (2) nonresidential uses that:
 - (A) comprise less than fifty percent (50%) of the total square footage of the development; and
 - (B) are restricted to the first floor of any building consisting of at least two (2) stories.

Sec. 5. As used in this chapter, "multi-family residential" means a building designed to contain at least five (5) dwelling units that:

- (1) are separated from each other by ceilings or walls;
- (2) may not have interior doors through which access can be made to other dwelling units; and
- (3) may be accessible to each other through a common hallway.

The term includes apartments and condominiums. The term does not include a hotel, motel, or other transient lodging.

Sec. 6. As used in this chapter, "permitted use" means a use that is approved by a unit in a zoning district without the requirement of:

- (1) a public hearing;
- (2) variance, special exception, contingent use, or conditional use; or



- (3) other discretionary zoning action, other than a determination that a site plan conforms with applicable zoning regulations.

Sec. 7. (a) This subsection applies to a single family dwelling or duplex that is connected to water and sewer service. Except for a dwelling that is subject to section 9 or 10 of this chapter, a unit may not require:

- (1) a single family dwelling to be built on a lot or parcel that exceeds five thousand four hundred forty-five (5,445) square feet (one-eighth (1/8) acre); or
- (2) a duplex to be built on a lot or parcel that exceeds one thousand five hundred (1,500) square feet.

If the single family dwelling or duplex is a permitted use under IC 36-7-4.2, this subsection does not apply to a unit that adopts an ordinance to opt out of this section not later than December 31, 2026.

(b) A unit may not impose standards on a duplex requiring:

- (1) a setback on the side of the duplex that exceeds the lesser of:
 - (A) seven and five-tenths (7.5) feet; or
 - (B) the width of a utility easement on the side of the duplex;
- (2) combined minimum front and rear setbacks in excess of fifteen (15) feet;
- (3) any floor area ratio requirement on a development that otherwise complies with lot coverage and height requirements; or
- (4) maximum lot or parcel coverage requirements of less than eighty percent (80%), except as:
 - (A) required by the design of the municipality's storm water system; or
 - (B) otherwise provided in state or federal law or rule.

If the single family dwelling or duplex is a permitted use under IC 36-7-4.2, this subsection does not apply to a unit that adopts an ordinance to opt out of this section not later than December 31, 2026.

Sec. 8. A unit may not do any of the following with regard to a single family dwelling or duplex:

- (1) Require a lot or parcel to have:
 - (A) additional parking to accommodate an accessory dwelling unit; or
 - (B) parking spaces:



(i) in excess of those allowed under section 12 of this chapter; and

(ii) within a garage or other enclosed or covered area.

If the single family dwelling or duplex is a permitted use under IC 36-7-4.2, this subdivision does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

(2) Require an application fee that:

(A) exceeds a fee charged for a single family dwelling; or

(B) violates IC 36-7-2.3.

If the single family dwelling or duplex is a permitted use under IC 36-7-4.2, this subdivision does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

(3) Require improvements to public streets as a condition of permitting, except as necessary to reconstruct or repair a public street that is disturbed as a result of the construction of the single family dwelling or duplex. If the single family dwelling or duplex is a permitted use under IC 36-7-4.2, this subdivision does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

Sec. 9. (a) This section does not apply to a municipality that adopts an ordinance to opt out of this section not later than December 31, 2026.

(b) This section applies only to a tract of land that:

(1) is at least five (5) acres;

(2) has no recorded plat; and

(3) will be zoned only for single family dwellings.

(c) Unless a municipality adopts an ordinance to opt out of this section not later than December 31, 2026. the municipality may not adopt or enforce an ordinance that requires a lot or parcel:

(1) to exceed:

(A) one thousand four hundred (1,400) square feet;

(B) twenty (20) feet in width; or

(C) sixty (60) feet in depth;

in size; or

(2) to have a density ratio of less than thirty-one and one-tenth (31.1) dwelling units per acre.

Sec. 10. (a) This section does not apply to a municipality that adopts an ordinance to opt out of this section not later than December 31, 2026.



(b) This section only applies to a lot or parcel that is not more than four thousand (4,000) square feet.

(c) In addition to the other requirements of this section, the following apply:

(1) A municipality may not require any of the following:

(A) A building, waterway, plane, or other setback that is more than five (5) feet from the:

- (i) front or back of the property; or**
- (ii) side of the property;**

unless a municipality adopts an ordinance to opt out of this clause not later than December 31, 2026.

(B) More than thirty percent (30%) open space or permeable surface, unless a municipality adopts an ordinance to opt out of this clause not later than December 31, 2026.

(C) Fewer than three (3) full stories not exceeding ten (10) feet in height measured from the interior floor to ceiling, unless a municipality adopts an ordinance to opt out of this clause not later than December 31, 2026.

(D) A maximum building bulk, unless a municipality adopts an ordinance to opt out of this clause not later than December 31, 2026.

(E) Any other requirement that imposes restrictions inconsistent with this section, including restrictions imposed through contiguous zoning districts or uses or an overlapping zoning district, unless a municipality adopts an ordinance to opt out of this clause not later than December 31, 2026.

(2) A municipality may:

- (A) require a lot to share a driveway with another lot;**
- (B) charge a permitting fee consistent with IC 36-7-2.3; or**
- (C) impose restrictions applicable to all similarly situated lots, parcels, or subdivisions, including restrictions to fully mitigate storm water runoff;**

unless a municipality adopts an ordinance to opt out of any clause not later than December 31, 2026.

Sec. 11. (a) This section applies only to the conversion of a building from nonresidential occupancy use to mixed use residential or multi-family residential use.

(b) Except for infrastructure identified in IC 36-7-4-1309(2), an impact fee may not be charged by the unit unless the land was subject to an impact fee before a building permit related



conversion was filed with the unit. If the conversion is a permitted use under IC 36-7-4.2, this subsection does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

(c) The impact fee for infrastructure identified in IC 36-7-4-1309(2) shall not exceed fifty percent (50%) of the impact fee rate charged for a single family dwelling. If the conversion is a permitted use under IC 36-7-4.2, this subsection does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

(d) If:

- (1) the building was constructed at least five (5) years before the proposed date of the conversion; and
- (2) the conversion involves:
 - (A) at least sixty-five percent (65%) of a building; and
 - (B) each floor of the building that is fit for residential occupancy;

the unit may not impose the requirements in subsection (d). If the conversion is a permitted use under IC 36-7-4.2, this subsection does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

(e) The unit may not require any of the following for a building conversion described in subsection (c):

- (1) A traffic impact analysis or study relating to the proposed converted building's effect on traffic or traffic operations.
- (2) Construction of improvements or payment of a fee to mitigate traffic effects related to the proposed converted building.
- (3) Any additional parking spaces.
- (4) Extension, upgrade, replacement, or oversizing of a utility facility except as necessary to provide the minimum capacity required for the proposed converted building.
- (5) A design requirement:
 - (A) more restrictive than the applicable minimum standard under IC 22-12-2.5; or
 - (B) prohibited under IC 36-7-4-201.3.

If the conversion is a permitted use under IC 36-7-4.2, this subsection does not apply to a unit that adopts an ordinance to opt out not later than December 31, 2026.

Sec. 12. (a) This section does not apply to a unit that opts out of this section by adopting an ordinance not later than December 31, 2026.



(b) Unless a unit adopts an ordinance to opt out of this section not later than December 31, 2026, this section applies to an application submitted to a local authority after December 31, 2028, for:

- (1) a permit; or**
- (2) an approval:**
 - (A) of a land use; or**
 - (B) for the construction of a development, a building, or another structure.**

(c) This section does not apply to the following:

- (1) Any part of a unit located not more than one (1) mile from a commercial airport that has at least nine million (9,000,000) annual enplanements.**
- (2) Parking for a religious institution.**
- (3) Parking requirements for carpools.**
- (4) Temporary or time-restricted parking.**
- (5) The minimum number of parking spaces required to comply with the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) that are permanently marked for the exclusive use of individuals with disabilities.**

(d) As used in this section, "local authority" has the meaning set forth in IC 36-7-4-1109.

(e) A unit may require not more than:

- (1) one (1) parking space for each multi-family residence;**
- (2) one (1) parking space for each single family home; or**
- (3) two (2) parking spaces for each one thousand (1,000) square feet of commercial space.**

(f) Unless a unit adopts an ordinance to opt out of this section not later than December 31, 2026, a unit may not establish any minimum parking space requirements for the following:

- (1) A dwelling that is not more than one thousand two hundred (1,200) square feet.**
- (2) A commercial space that is less than three thousand (3,000) square feet.**
- (3) Affordable housing.**
- (4) A senior housing property.**
- (5) A child care center licensed under IC 12-17.2-4.**
- (6) A ground level nonresidential space in a mixed use building.**
- (7) A building, including a vacant building, undergoing a change of use:**
 - (A) from a nonresidential to a residential use; or**



(B) for a commercial use.

(g) Unless a unit adopts an ordinance to opt out of this section not later than December 31, 2026, a unit may not adopt or enforce any ordinance, rule, or regulation that limits the maximum number of parking spaces for any residential type, including single family dwellings, duplexes, triplexes, fourplexes, townhouses, accessory dwelling units, multi-family residential dwellings, or any commercial or mixed use development.

(h) A unit may request a variance from the requirements of this section by submitting a request to the fire prevention and building safety commission, if the unit can show that compliance with this section would be hazardous to the life, health, and safety of residents. A unit's variance request must be supported with the written opinion of a building official or fire chief.

(i) A unit may request a variance to require additional parking spaces permanently marked for the exclusive use of individuals with disabilities in a number that exceeds the minimum required for compliance with the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) based upon on the planned or likely population, location, or safety of a building, using objective standards.

Sec. 13. This section applies to structure classified as an R-2 building occupancy classification under the Indiana building code adopted by the fire prevention and building safety commission. A structure that is not more than:

- (1) three (3) stories; and**
- (2) twenty-four (24) total units;**

shall be permitted to have a passenger elevator not larger than an elevator that accommodates a wheelchair.

Sec. 14. Notwithstanding section 14 of this chapter, nothing in this chapter:

- (1) affects a unit's regulation of short term rentals as under IC 36-1-24;**
- (2) prohibits property owners from enforcing rules or deed restrictions imposed by a homeowners association or by other private agreement, including restrictions relating to an accessory dwelling unit;**
- (3) supersedes applicable building codes, fire codes, or public health and safety laws;**
- (4) relieves a person from obtaining a required permit;**
- (5) prohibits a unit from taking enforcement actions, imposing fines, penalties, or requiring project modifications to bring a development into compliance; or**



(6) affects a restrictive covenant or regulation of a condominium association or homeowners' association.

Sec. 15. A zoning ordinance adopted before January 1, 2027, is void and unenforceable to the extent that the ordinance conflicts with this chapter.

Sec. 16. A person adversely affected or aggrieved by a violation of this chapter may bring an action against the unit for:

- (1) declaratory and injunctive relief; and
- (2) costs and reasonable attorney's fees.

SECTION 28. IC 36-7-4.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 4.2. Permitted Uses

Sec. 1. The definitions in IC 36-7-1, IC 36-1-2, and IC 36-7-4.1 apply throughout this chapter.

Sec. 2. This chapter only applies to property that on January 1, 2026, is located:

- (1) not more than one-quarter (1/4) of a mile from a public transit route;
- (2) in the boundaries of a riverfront development project under IC 7.1-3-20-16.1; or
- (3) in:
 - (A) an area zoned residential or commercial; and
 - (B) an allocation area of a redevelopment commission.

Sec. 3. This chapter does not apply to property within:

- (1) a historic area or historic zoning district created under:
 - (A) IC 36-7-11;
 - (B) IC 36-7-11.1;
 - (C) IC 36-7-11.2; or
 - (D) IC 36-7-11.3;
- (2) a flood plain (as defined in IC 14-8-2-99); or
- (3) subject to a homeowner's association.

Sec. 4. If an area is zoned for residential use, any one (1) of the following is a permitted use on each lot or parcel:

- (1) At least two (2) single family dwellings.
- (2) At least one (1) duplex. However, a unit may require a will-serve letter for a duplex.

Sec. 5. (a) This section only applies to an accessory dwelling unit located within the corporate boundaries of a municipality.

(b) Unless a unit adopts an ordinance to opt out of this section not later than December 31, 2026, an accessory dwelling unit is a permitted use on a lot within an area that is zoned residential if:



- (1) Only one (1) accessory dwelling unit is located on the lot.**
- (2) The property owner permanently resides in the principal dwelling unit or the accessory dwelling unit.**

Sec. 6. (a) This section only applies to an accessory dwelling unit that located outside the corporate boundaries of a municipality.

(b) Unless a unit adopts an ordinance to opt out of this section not later than December 31, 2026, an accessory dwelling unit is a permitted use in any zoning classification, if the accessory dwelling unit is on a lot or parcel that contains a single family dwelling. If:

- (1) the lot or parcel is:**
 - (A) located within the boundaries of a sewer district; or**
 - (B) is otherwise eligible for connection to a public sewer system;**

unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026, the unit may require a will-serve letter from the applicable utility; or

- (2) the lot or parcel is not located within a sewer district and will be served by an on-site sewage system, unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026, the unit may require a:**

- (A) a new or modified septic construction permit issued by the local health department; or**
- (B) written verification from the local health department that the existing on-site sewage system has sufficient capacity to serve the accessory dwelling unit.**

Sec. 7. (a) Unless a unit adopts an ordinance to opt out of this subsection not later than December 31, 2026, the unit may require a unit may not require a familial, marital, or employment relationship between the occupants of a single family dwelling and the occupants of the accessory dwelling unit.

(b) Unless a unit adopts an ordinance to opt out of this subsection not later than December 31, 2026, a unit may charge an application fee for an accessory dwelling unit of not more than two hundred fifty dollars (\$250) in addition to any other fees charged by the municipality for single family residential construction.

(c) Except for infrastructure identified in IC 36-7-4-1309(2), unless a unit adopts an ordinance to opt out of this subsection not later than December 31, 2026, a unit may not charge an impact fee for an accessory dwelling unit.

(d) Unless a unit adopts an ordinance to opt out of this subsection not later than December 31, 2026, the impact fee for infrastructure identified in IC 36-7-4-1309(2) shall not exceed fifty



percent (50%) of the impact fee rate charged for a single family dwelling.

Sec. 8. (a) This section does not apply to any of the following:

- (1) A zoning classification that allows heavy industrial use.**
- (2) Land that is located:**
 - (A) not more than one thousand (1,000) feet from an existing heavy industrial use or development site; or**
 - (B) not more than three thousand (3,000) feet from an airport or military base.**
- (3) An area designated by a unit as a clear zone under:**
 - (A) standards adopted by the Indiana department of transportation; or**
 - (B) air installations compatible use zones standards established by the United States Department of War.**

(b) A mixed use residential or multi-family residential development is a permitted use within any area zoned for commercial use that allows office, commercial, retail, warehouse, or mixed use development.

(c) A unit may not adopt or enforce a restriction on a mixed use residential or multi-family residential development that is a permitted use under this chapter that does any of the following:

- (1) Imposes the following:**
 - (A) A limit on density that is more restrictive than the greater of:**
 - (i) the highest residential density allowed in the unit; or**
 - (ii) thirty-six (36) units per acre;****unless a unit adopts an ordinance to opt out of this clause not later than December 31, 2026.**
 - (B) A limit on building height that is more restrictive than the greater of:**
 - (i) the highest height that would apply to an office, commercial, retail, or warehouse development constructed on the site; or**
 - (ii) sixty (60) feet;****unless a unit adopts an ordinance to opt out of this clause not later than December 31, 2026.**
 - (C) A setback or buffer requirement that is more restrictive than the lesser of:**
 - (i) a setback or buffer requirement that would apply to an office, commercial, retail, or warehouse development constructed on the site; or**
 - (ii) twenty-five (25) feet;**



unless a unit adopts an ordinance to opt out of this clause not later than December 31, 2026.

(2) Requires a multi-level parking structure, unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026.

(3) A mixed use residential or multi-family residential development is subject to the parking requirements in IC 36-7-4.1, unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026.

(4) Restricts the ratio of the total building floor area of a mixed use residential or multi-family residential development in relation to the lot area of the development, unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026.

(5) Requires a multi-family residential development that is not located in an area zoned for mixed use residential use to contain nonresidential uses, unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026.

(d) Unless a unit adopts an ordinance to opt out of this subdivision not later than December 31, 2026, a unit may require:

(1) a will-serve letter; and

(2) an application fee, subject to IC 36-7-2.3.

Sec. 9. This chapter applies to property located in:

(1) an economic improvement district under IC 36-7-22;

(2) the economic enhancement district under IC 36-7-40; or

(3) similar improvement district.

Sec. 10. Unless a unit adopts an ordinance to opt out of this section not later than December 31, 2026, the conversion of a commercial property to a multi-family or mixed-use development is a permitted use.

SECTION 29. IC 36-7-4.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 4.3. Increasing Housing Development

Sec. 1. This chapter does not apply to a unit that does not opt out of the provisions that are applicable to the unit under IC 36-7-4-201.3, IC 36-7-4.1, or IC 36-7-4.2.

Sec. 2. As used in this chapter, "unit" means a county, city, or town.

Sec. 3. As used in this chapter, "UDO" means a unified development ordinance.



Sec. 4. Not later than January 1, 2027, a unit conduct a public hearing to review the UDO and any zoning regulations and land development rules, with the goal of increasing housing development by using the following factors:

- (1) Providing for higher density development of duplexes, triplexes, and fourplexes in areas designated for single family homes.**
- (2) Constructing other housing types including accessory dwelling units and manufactured and modular housing.**
- (3) Adaptive reuse of commercial buildings for residential use such as allowing multifamily development in retail, office, and light manufacturing zones.**
- (4) Increasing the allowable floor area ratio in multifamily housing areas.**
- (5) Waiving or eliminating regulations such as requirements for:

 - (A) garage size and placement;**
 - (B) steeper roof pitch;**
 - (C) minimum lot size and square footage;**
 - (D) greater setbacks;**
 - (E) off-street parking;**
 - (F) design standards that restrict or prohibit the use of code compliant products; or**
 - (G) property height limitations.****
- (6) Reviewing impact fee zones with zone advisory committee for improvements.**
- (7) Streamlining or shortening the permitting processes and timelines, including through one stop and parallel process permitting by fifteen (15) days or more.**
- (8) Using property tax abatements to enable higher density and mixed income communities.**
- (9) Donating vacant land for affordable housing development.**

Sec. 5. Not later than January 1, 2027, the unit shall submit a report to the executive director of legislative services agency by electronic means under IC 5-14-6 that contains the following:

- (1) If the unit:

 - (A) invested in a housing study in 2021, 2022, 2023, 2024, or 2025; or**
 - (B) had a housing study performed by a region's local economic development organization;**
 a copy of the housing study.**



(2) The minutes from the public hearing conducted under section 4 of this chapter.

(3) Any newly developed or amended UDO as a result of the review under section 4 of this chapter. The unit must provide a written description of the ways in which the UDO was changed to support increased housing development by using some or all of the factors set forth in section 4 of this chapter.

SECTION 30. IC 36-7-14-53, AS AMENDED BY P.L.204-2023, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 53. (a) A commission may establish a residential housing development program by resolution for the construction of new residential housing or the renovation of existing residential housing in an area within the jurisdiction of the commission.

(b) The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 39 and 56 of this chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(c) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (b). Judicial review of the resolution may be made under section 18 of this chapter.

(d) Before formal submission of any residential housing development program to the commission, the department of redevelopment shall:

(1) consult with persons interested in or affected by the proposed program, including the superintendents and governing body presidents of all school corporations located within the proposed allocation area;

(2) provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and

(3) hold at least one (1) public meeting to obtain the views of neighborhood associations and residents of the affected neighborhood. The department of redevelopment shall send notice thirty (30) days prior to the public meeting to the fiscal officer of all affected taxing units and to the superintendents and governing



body presidents of all school corporations located within the proposed allocation area.

(e) A residential housing development program established under this section must terminate not later than **the earlier of:**

(1) twenty (20) twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues from the program; **or**

(2) the date on which the bond obligations or lease rentals described in subdivision (1) are satisfied.

(f) A county or municipality may request from the department of local government finance a report, if it exists, describing the effect of current assessed value allocated to tax increment financing allocation areas on the amount of the tax levy or proceeds and the credit for excessive property taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of the residential housing development program.

SECTION 31. IC 36-7-14-53.1 IS REPEALED [EFFECTIVE JULY 1, 2026]. See: 53-1. (a) Section 53 of this chapter as amended by the general assembly in the 2023 session or subsequent session expires June 30, 2027.

(b) This section applies beginning July 1, 2027, and is intended to reinstate section 53 of this chapter as it was in effect on January 1, 2023.

(c) Subject to subsection (i), a commission may establish a residential housing development program by resolution for the construction of new residential housing or the renovation of existing residential housing in an area within the jurisdiction of the commission if:

(1) for a commission established by a county, the average of new, single family residential houses constructed within the township in which the area is located during the preceding three (3) calendar years is less than one percent (1%) of the total number of single family residential houses within that township on January 1 of the year in which the resolution is adopted; or

(2) for a commission established by a municipality, the average of new, single family residential houses constructed within the municipal boundaries during the preceding three (3) calendar years is less than one percent (1%) of the total number of single family residential houses within the boundaries of the municipality on January 1 of the year in which the resolution is adopted.



However, the calculations described in subdivisions (1) and (2) and the provisions of subsection (h) do not apply for purposes of establishing a residential housing development program within an economic development target area designated under IC 6-1.1-12.1-7.

(d) The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 39 and 56 of this chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(e) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (d). Judicial review of the resolution may be made under section 18 of this chapter.

(f) Before formal submission of any residential housing development program to the commission, the department of redevelopment shall:

(1) consult with persons interested in or affected by the proposed program, including the superintendents and governing body presidents of all school corporations located within the proposed allocation area;

(2) provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and

(3) hold at least one (1) public meeting to obtain the views of neighborhood associations and residents of the affected neighborhood. The department of redevelopment shall send notice thirty (30) days prior to the public meeting to the fiscal officer of all affected taxing units and to the superintendents and governing body presidents of all school corporations located within the proposed allocation area.

(g) A residential housing development program established under this section must terminate not later than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues from the program.

(h) The department of local government finance in cooperation with either the appropriate county agency or the appropriate municipal agency, or both, shall determine whether a county or municipality



meets the threshold requirements under subsection (c). In making the determination, the department of local government finance may request information necessary to make the determination. A county or municipality may request from the department of local government finance a report, if it exists, describing the effect of current assessed value allocated to tax increment financing allocation areas on the amount of the tax levy or proceeds and the credit for excessive property taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of the residential housing development program.

(i) A program established under subsection (c) may not take effect until the governing body of each school corporation affected by the program passes a resolution approving the program.

SECTION 32. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to assign to the appropriate interim study committee the task of studying the topic of making residential affordable housing a permitted use in an area zoned for residential or commercial use if:

- (1) a religious institution is the developer of the property or a developer working on behalf of a religious institution;**
- (2) the development is located on property owned by the religious institution; and**
- (3) the development exclusively contains affordable housing.**

(b) This section expires December 31, 2026."

Delete pages 20 through 28.

Page 29, delete lines 1 through 39, begin a new paragraph and insert:

"SECTION 1. IC 36-7-18-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) A housing authority may:

- (1) prepare, carry out, acquire, lease, and operate housing projects; and
- (2) provide for the construction, reconstruction, improvement, alteration, or repair of all or part of a housing project.

(b) Notwithstanding subsection (a), a housing project may not be built if the average construction cost, exclusive of the cost of land, demolition, and nondwelling facilities, is more than:

- (1) ~~two~~ **four** thousand dollars (~~\$2,000~~) (**\$4,000**) per room;
- (2) ~~ten~~ **fifteen** thousand dollars (~~\$10,000~~) (**\$15,000**) per room, if the accommodations are designed specifically for persons of low income who:



- (A) have attained the age at which they may elect to receive old age benefits under Title 2 of the Social Security Act (42 U.S.C. 401-433); or
 - (B) are under disability (as defined in Section 223 of that Act (42 U.S.C. 423)); or
 - (3) any greater amount established by the federal government as the basis for computing any of its annual contributions.
- (c) Notwithstanding subsection (b), if the housing authority finds that:
- (1) compliance with the cost limitations in subsection (b) would require the sacrifice of sound standards of construction, design, and livability in a project; and
 - (2) there is an acute need for the proposed housing;
- it may exceed the cost limitation that would otherwise be applicable under subsection (b) by not more than ~~seven hundred fifty dollars (\$750) per room~~: **an amount necessary to make the project financially feasible.**

SECTION 2. IC 36-7-18-31, AS AMENDED BY P.L.230-2025, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 31. (a) Issues of bonds, notes, or warrants of a housing authority must be approved by the fiscal body of the unit after a public hearing, with notice of the time, place, and purpose of the hearing given by publication in accordance with IC 5-3-1. The bonds, notes, or warrants must then be authorized by resolution of the authority.

- (b) After the bonds, notes, or warrants have been approved under subsection (a), they may be issued in one (1) or more series, with the:
- (1) dates;
 - (2) maturities;
 - (3) denominations;
 - (4) form, either coupon or registered;
 - (5) conversion or registration privileges;
 - (6) rank or priority;
 - (7) manner of execution;
 - (8) medium of payment;
 - (9) places of payment; and
 - (10) terms of redemption, with or without premium;
- provided by the resolution or its trust indenture or mortgage.

(c) **Except as provided in subsection (g)**, the bonds, notes, or warrants shall be sold at a public sale under IC 5-1-11, for not less than par value, after notice published in accordance with IC 5-3-1. However, they may be sold at not less than par value to the federal government:



(1) at private sale without any public advertisement; or

(2) alternatively, at a negotiated sale.

(d) If any of the commissioners or officers of the housing authority whose signatures appear on any bonds, notes, or warrants or coupons cease to be commissioners or officers before the delivery, exchange, or substitution of the bonds, notes, or warrants, their signatures remain valid and sufficient for all purposes, as if they had remained in office until the delivery, exchange, or substitution.

(e) Subject to provision for registration and notwithstanding any other law, any bonds, notes, or warrants issued under this chapter are fully negotiable.

(f) In any proceedings involving the validity or enforceability of any bond, note, or warrant of a housing authority or of its security, if the instrument states that it has been issued by the authority to aid in financing a housing project to provide dwelling accommodations for persons of low income, it shall be conclusively presumed to have been issued for that purpose and the project shall be conclusively presumed to have been planned, located, and constructed in accordance with this chapter.

(g) Notwithstanding subsection (c), the bonds, notes, or warrants of a housing authority may be sold at a negotiated sale and may be sold at less than par value at a negotiated sale."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1001 as reprinted January 23, 2026.)

CARRASCO, Chairperson

Committee Vote: Yeas 6, Nays 5.

SENATE MOTION

Mr. President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 3, line 9, delete "IC 36-7-4.2" and insert "**IC 36-7-4.4**".

Page 25, line 6, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".

Page 25, line 26, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".

Page 25, line 39, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".

Page 26, line 4, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".

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Page 26, line 11, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".
 Page 27, line 35, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".
 Page 27, line 40, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".
 Page 28, line 9, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".
 Page 28, line 27, delete "IC 36-7-4.2," and insert "**IC 36-7-4.4**,".
 Page 30, line 42, delete "IC 36-7-4.2" and insert "IC 36-7-4.4".
 Page 31, line 3, delete "4.2." and insert "**4.4**".
 Page 34, line 28, delete "IC 36-7-4.2." and insert "**IC 36-7-4.4**".

(Reference is to EHB 1001 as printed February 20, 2026.)

GARTEN

SENATE MOTION

Mr. President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-1.2-15.5-10, AS AMENDED BY P.L.90-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. ~~Loans from the fund must be allocated and made available to participants as follows: The authority shall set aside~~ ~~(†)~~ seventy percent (70%) of the money in the fund ~~must be used~~ for housing infrastructure benefitting political subdivisions with a population of less than fifty thousand (50,000). ~~(2) Thirty percent (30%) of the money in the fund must be used for housing infrastructure in all other political subdivisions not described in subdivision (†).~~"

Page 3, delete lines 8 through 14.

Page 4, delete lines 4 through 26, begin a new paragraph and insert:

"SECTION 5. IC 14-8-2-50.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 50.2. "Compensatory storage", for purposes of IC 14-28-3-9, has the meaning set forth in IC 14-28-3-9.**

SECTION 6. IC 14-8-2-289, AS AMENDED BY P.L.35-2024, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 289. "Unit of local government", for purposes of IC 14-12-1, IC 14-15-14, ~~and~~ IC 14-22-10, **and IC 14-28-3-9**, means a:

(1) county;

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(2) city;
 (3) town; or
 (4) township;
 located in Indiana.

SECTION 7. IC 14-28-3-9 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2026]: **Sec. 9. (a) As used in this section, "compensatory storage" includes artificial storage used to balance the loss of natural flood storage capacity as a result of placing fill material or other obstructions within a flood plain.**

(b) The state or a unit of local government may not require a person who intends to fill land in a flood plain to provide compensatory storage at a ratio greater than three (3) (mitigated land) to one (1) (filled land)."

Page 11, delete lines 9 through 17.

Page 11, line 41, delete "subdivisions (2) and (3)," and insert **"subdivision (2),"**

Page 12, delete lines 17 through 21.

Page 12, line 22, delete "(4)" and insert **"(3)"**.

Page 12, delete lines 40 through 42.

Delete page 13.

Page 14, delete lines 1 through 34.

Page 18, delete lines 30 through 42, begin a new paragraph and insert:

"(s) This subsection applies after December 31, 2026. If a person files with the appropriate local authority a complete application for a permit or approval, the permit or approval must be granted, if the project that is the subject of the application satisfies the legal restrictions, including the zoning ordinance, zone maps, or subdivision control ordinance in effect on the date the permit application is submitted."

Page 23, delete lines 32 through 42.

Delete pages 24 through 33.

Page 34, delete lines 1 through 21.

Page 34, delete lines 26 through 28.

Page 34, line 29, delete "2." and insert **"1."**

Page 34, line 31, delete "3." and insert **"2."**

Page 34, line 33, delete "4." and insert **"3."**

Page 35, line 23, delete "5." and insert **"4."**

Page 35, line 35, delete "4" and insert **"3"**.

Page 35, line 38, delete "4" and insert **"3"**.



Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 20, 2026.)

GARTEN

