

PROPOSED AMENDMENT

HB 1001 # 8

DIGEST

Housing matters. Limits permitted uses in the bill to property that is located: (1) near a public transit route; (2) in a riverfront development project; or (3) in an area that is: (A) zoned residential or commercial; and (B) in an allocation area of a redevelopment commission. Provides the following are permitted uses: (1) at least two single family dwellings or one duplex on a lot or parcel in an area zoned for residential use. (2) A mixed use residential or multi-family residential development in an area zoned for commercial use. Provides that the following are permitted uses if a unit does not adopt an ordinance to opt out not later than December 31, 2026: (1) An accessory dwelling unit is a permitted use on a lot within an area that is zoned residential. (2) The conversion of a commercial property to a multi-family or mixed-use development is a permitted use in an economic improvement district, economic enhancement district, or similar improvement district. Provides that a unit may not regulate design elements of residential structures unless the unit adopts an ordinance to opt out not later than December 31, 2026. Removes a provision making a housing development of a religious institution a permitted use. Urges assignment of the topic of housing developments by religious institutions to an interim study committee. Adds requirements regarding the location of impact zones designated by a unit after June 30, 2026. Beginning January 1, 2027, requires a county, city, or town to annually report to the Indiana housing and community development authority a housing progress report, including the total number of residential units lost in the preceding year. Requires the department of environmental management to review and update its Indiana Storm Water Quality Manual not later than December 1, 2026. Defines "mitigation" for purposes of flood plain management. Prohibits state or local government from requiring a flood plain mitigating ratio of more than three to one under certain circumstances. Requires a unit to forfeit or refund any regulatory fees if the unit fails to meet statutory deadlines for issuing a Class 2 building permit. Prohibits the following with regard to a Class 2 structure or structure classified as an R-2 building occupancy classification: (1) A state agency from adopting rules requiring the installation of an arc-fault circuit interrupter (AFCI) after June 30, 2026. (2) A political subdivision from requiring installation of an AFCI Prohibits a state agency or a political subdivision from requiring installation of an emergency responder communications enhancement system or similar system in a Class 1 structure that is constructed, reconstructed, remodeled, or renovated, after June 30, 2026. 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 such bond obligations or lease rentals are satisfied. Adds a provision prohibiting the legislative body of a county, city, or town from adopting a subdivision control ordinance that allows a property owner to restrict the subdivision of all or a part of the property owner's property for a period of years. Adds a provision requiring a unit to review the unit's unified development ordinance and zoning regulations in a public hearing with the purpose of providing for increased housing development, if the unit opts out of certain provisions. Resolves conflicts for IC 36-2-4-8, which was amended by both P.L.22-2021 and P.L.152-2021.

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

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

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

9 **(1) the authority; and**

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

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

14 **(1) The total number of proposed residential housing units
15 submitted to the local unit.**

16 **(2) The total number of proposed residential housing units
17 that were approved by the local unit.**

18 **(3) The total number of proposed residential units that were
19 denied by the local unit.**

20 **(4) The total number of net new residential housing units
21 submitted to the local unit. The total number of net new
22 residential housing units is determined by subtracting the
23 number of residential housing units that the local unit lost in
24 the immediately preceding year through:**

25 **(A) demolition;**

26 **(B) conversion to non-residential use; or**

27 **(C) combining units;**

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

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

31 **(A) are entitled;**

32 **(B) have been platted;**

33 **(C) have been issued a building permit; and**

34 **(D) have received a certificate of occupancy or completion
35 and compliance by the local unit.**

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

38 **(e) If the number of proposed residential housing units reported
39 under subsection (d)(1) does not equal the sum of the number of
40 proposed residential housing units reported under subsection (d)(2)**

1 and (d)(3), information must be provided to explain the
2 discrepancy.

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

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

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

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

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

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

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

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

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

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

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

29 **(B) The geographic scope of the opt out.**

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

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

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

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

40 **(2) An evaluation of the outcomes of housing legislation**

1 enacted during the 2026 legislative session.

2 SECTION 3. IC 13-14-1-19 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2026]: **Sec. 19. (a) Not later than December 1, 2026, the**
5 **department shall do the following:**

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

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

10 **(B) any new or revised recommendations are necessary.**

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

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

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

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

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

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

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

32 (1) county;

33 (2) city;

34 (3) town; or

35 (4) township;

36 located in Indiana.

37 SECTION 6. IC 14-28-1-41 IS ADDED TO THE INDIANA CODE
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
39 1, 2026]: **Sec. 41. (a) As used in this section, "mitigation" includes**
40 **artificial storage used to balance the loss of natural flood storage**

1 **capacity as a result of placing fill material within a flood plain.**

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

6 SECTION 7. IC 22-13-2-3.6 IS ADDED TO THE INDIANA CODE
 7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 8 1, 2026]: **Sec. 3.6. (a) The following may not adopt rules requiring**
 9 **the installation of an arc-fault circuit interrupter (AFCI) in a Class**
 10 **2 structure or a structure classified as an R-2 building occupancy**
 11 **classification under the Indiana building code constructed after**
 12 **June 30, 2026:**

13 **(1) The commission.**

14 **(2) Another state agency.**

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

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

23 SECTION 8. IC 22-13-2-3.7 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2026]: **Sec. 3.7. (a) A state agency or a political subdivision (as**
 26 **defined in IC 36-1-2-13) may not require an emergency responder**
 27 **communications enhancement system (ERCES) or similar system**
 28 **to be installed in:**

29 **(1) a new Class 1 structure constructed; or**

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

32 **after June 30, 2026.**

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

36 Delete page 2.

37 Page 3, delete lines 1 through 7.

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

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

40 "SECTION 18. IC 36-7-2.5-23.5 IS ADDED TO THE INDIANA

1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 23.5. (a) If a unit fails to meet the**
 3 **deadlines set forth in this chapter, the unit shall:**

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

7 **to the unit.**

8 (b) **This section does not apply if a unit fails to meet a deadline**
 9 **set forth in this chapter as a result of a delay described in section**
 10 **23 of this chapter."**

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

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

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

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

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

27 (b) **This section does not affect any property to which section**
 28 **1109 of this chapter applies, for which a complete application for**
 29 **approval of a primary or secondary plat was filed before July 1,**
 30 **2026."**

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

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

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

- 40 (1) **there is a functional relationship between the components**

- 1 of the infrastructure type in the impact zone;
- 2 (2) the infrastructure type provides a reasonably uniform
- 3 benefit throughout the impact zone;
- 4 (3) all areas included in the impact zone are contiguous; and
- 5 (4) the impact zone is:
- 6 (A) contiguous to the new development;
- 7 (B) coterminous with a:
- 8 (i) utility service; or
- 9 (ii) distribution line of a type described in section 1309(1)
- 10 or 1309(5) of this chapter, that may be necessary for the
- 11 new development to interconnect with existing utility
- 12 infrastructure; or
- 13 (C) located not more than five (5) miles from the
- 14 infrastructure type described in section 1309(3) and
- 15 1309(4) of this chapter.
- 16 (c) If a unit:
- 17 (1) adopts an ordinance to adopt, renew, or amend an impact
- 18 fee; or
- 19 (2) has an existing impact fee ordinance that provides for an
- 20 increase in the amount of an impact fee after a period of time;
- 21 Then before a unit may adopt an ordinance under subdivision (1),
- 22 or collect the increased impact fee under subdivision (2), the unit
- 23 must comply with subsection (d).
- 24 (d) The unit must hold a public hearing. Not less than forty-five
- 25 (45) days before the date of the public hearing, the unit must do the
- 26 following:
- 27 (1) If the unit has a website, post on the website:
- 28 (A) notice of the public hearing;
- 29 (B) a summary of the impact fee proposed for adoption,
- 30 renewal, amendment or subject to increase under an
- 31 existing ordinance; and
- 32 (C) the impact zone improvement plan.
- 33 (2) Publish notice of the public hearing under IC 5-3-1
- 34 providing:
- 35 (A) a summary of the impact fee proposed for adoption,
- 36 renewal, amendment or subject to increase under an
- 37 existing ordinance;
- 38 (B) the web address (if any) where the information posted
- 39 under subdivision (1) is located; and
- 40 (C) the location where the public may inspect and copy the

1 **zone improvement plan.**

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

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

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

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

10 **(1) a historic area or historic zoning district created under:**

11 **(A) IC 36-7-11;**

12 **(B) IC 36-7-11.1;**

13 **(C) IC 36-7-11.2; or**

14 **(D) IC 36-7-11.3;**

15 **(2) a flood plain (as defined in IC 14-8-2-99); or**

16 **(3) subject to a homeowner's association.**

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

19 **(1) with processes using flammable or explosive materials;**

20 **(2) with hazardous conditions; or**

21 **(3) that is noxious or offensive from odors, smoke, noise,**
22 **fumes, or vibrations.**

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

26 **(1) residential uses, including multiple dwelling units; and**

27 **(2) nonresidential uses that:**

28 **(A) comprise less than fifty percent (50%) of the total**
29 **square footage of the development; and**

30 **(B) are restricted to the first floor of any building**
31 **consisting of at least two (2) stories.**

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

34 **(1) are separated from each other by ceilings or walls;**

35 **(2) may not have interior doors through which access can be**
36 **made to other dwelling units; and**

37 **(3) may be accessible to each other through a common**
38 **hallway.**

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

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

- 4 **(1) a public hearing;**
 5 **(2) variance, special exception, contingent use, or conditional**
 6 **use; or**
 7 **(3) other discretionary zoning action, other than a**
 8 **determination that a site plan conforms with applicable**
 9 **zoning regulations.**

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

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

19 **If the single family dwelling or duplex is a permitted use under**
 20 **IC 36-7-4.2, this subsection does not apply to a unit that adopts an**
 21 **ordinance to opt out of this section not later than December 31,**
 22 **2026.**

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

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

39 **If the single family dwelling or duplex is a permitted use under**
 40 **IC 36-7-4.2, this subsection does not apply to a unit that adopts an**

1 ordinance to opt out of this section not later than December 31,
2 2026.

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

- 5 (1) Require a lot or parcel to have:
 - 6 (A) additional parking to accommodate an accessory
 - 7 dwelling unit; or
 - 8 (B) parking spaces:
 - 9 (i) in excess of those allowed under section 12 of this
 - 10 chapter; and
 - 11 (ii) within a garage or other enclosed or covered area.

12 If the single family dwelling or duplex is a permitted use
13 under IC 36-7-4.2, this subdivision does not apply to a unit
14 that adopts an ordinance to opt out not later than December
15 31, 2026.

- 16 (2) Require an application fee that:
 - 17 (A) exceeds a fee charged for a single family dwelling; or
 - 18 (B) violates IC 36-7-2.3.

19 If the single family dwelling or duplex is a permitted use
20 under IC 36-7-4.2, this subdivision does not apply to a unit
21 that adopts an ordinance to opt out not later than December
22 31, 2026.

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

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

- 33 (b) This section applies only to a tract of land that:
 - 34 (1) is at least five (5) acres;
 - 35 (2) has no recorded plat; and
 - 36 (3) will be zoned only for single family dwellings.

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

- 40 (1) to exceed:

- 1 (A) one thousand four hundred (1,400) square feet;
- 2 (B) twenty (20) feet in width; or
- 3 (C) sixty (60) feet in depth;
- 4 in size; or
- 5 (2) to have a density ratio of less than thirty-one and one-tenth
- 6 (31.1) dwelling units per acre.

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

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

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

- 14 **(1) A municipality may not require any of the following:**
 - 15 **(A) A building, waterway, plane, or other setback that is**
 16 **more than five (5) feet from the:**
 - 17 **(i) front or back of the property; or**
 - 18 **(ii) side of the property;**

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

21 **(B) More than thirty percent (30%) open space or**
 22 **permeable surface, unless a municipality adopts an**
 23 **ordinance to opt out of this clause not later than December**
 24 **31, 2026.**

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

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

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

- 38 **(2) A municipality may:**
 - 39 **(A) require a lot to share a driveway with another lot;**
 - 40 **(B) charge a permitting fee consistent with IC 36-7-2.3; or**

1 **(C) impose restrictions applicable to all similarly situated**
 2 **lots, parcels, or subdivisions, including restrictions to fully**
 3 **mitigate storm water runoff;**
 4 **unless a municipality adopts an ordinance to opt out of any**
 5 **clause not later than December 31, 2026.**

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

9 **(b) Except for infrastructure identified in IC 36-7-4-1309(2), an**
 10 **impact fee may not be charged by the unit unless the land was**
 11 **subject to an impact fee before a building permit related**
 12 **conversion was filed with the unit. If the conversion is a permitted**
 13 **use under IC 36-7-4.2, this subsection does not apply to a unit that**
 14 **adopts an ordinance to opt out not later than December 31, 2026.**

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

21 **(d) If:**

22 **(1) the building was constructed at least five (5) years before**
 23 **the proposed date of the conversion; and**

24 **(2) the conversion involves:**

25 **(A) at least sixty-five percent (65%) of a building; and**

26 **(B) each floor of the building that is fit for residential**
 27 **occupancy;**

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

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

34 **(1) A traffic impact analysis or study relating to the proposed**
 35 **converted building's effect on traffic or traffic operations.**

36 **(2) Construction of improvements or payment of a fee to**
 37 **mitigate traffic effects related to the proposed converted**
 38 **building.**

39 **(3) Any additional parking spaces.**

40 **(4) Extension, upgrade, replacement, or oversizing of a utility**

1 facility except as necessary to provide the minimum capacity
2 required for the proposed converted building.

3 (5) A design requirement:

4 (A) more restrictive than the applicable minimum
5 standard under IC 22-12-2.5; or

6 (B) prohibited under IC 36-7-4-201.3.

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

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

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

17 (1) a permit; or

18 (2) an approval:

19 (A) of a land use; or

20 (B) for the construction of a development, a building, or
21 another structure.

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

23 (1) Any part of a unit located not more than one (1) mile from
24 a commercial airport that has at least nine million (9,000,000)
25 annual enplanements.

26 (2) Parking for a religious institution.

27 (3) Parking requirements for carpools.

28 (4) Temporary or time-restricted parking.

29 (5) The minimum number of parking spaces required to
30 comply with the Americans with Disabilities Act (42 U.S.C.
31 12101 et seq.) that are permanently marked for the exclusive
32 use of individuals with disabilities.

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

35 (e) A unit may require not more than:

36 (1) one (1) parking space for each multi-family residence;

37 (2) one (1) parking space for each single family home; or

38 (3) two (2) parking spaces for each one thousand (1,000)
39 square feet of commercial space.

40 (f) Unless a unit adopts an ordinance to opt out of this section

1 not later than December 31, 2026, a unit may not establish any
2 minimum parking space requirements for the following:

3 (1) A dwelling that is not more than one thousand two
4 hundred (1,200) square feet.

5 (2) A commercial space that is less than three thousand
6 (3,000) square feet.

7 (3) Affordable housing.

8 (4) A senior housing property.

9 (5) A child care center licensed under IC 12-17.2-4.

10 (6) A ground level nonresidential space in a mixed use
11 building.

12 (7) A building, including a vacant building, undergoing a
13 change of use:

14 (A) from a nonresidential to a residential use; or

15 (B) for a commercial use.

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

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

29 (i) A unit may request a variance to require additional parking
30 spaces permanently marked for the exclusive use of individuals
31 with disabilities in a number that exceeds the minimum required
32 for compliance with the Americans with Disabilities Act (42 U.S.C.
33 12101 et seq.) based upon on the planned or likely population,
34 location, or safety of a building, using objective standards.

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

39 (1) three (3) stories; and

40 (2) twenty-four (24) total units;

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

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

5 (1) affects a unit's regulation of short term rentals as under
 6 IC 36-1-24;

7 (2) prohibits property owners from enforcing rules or deed
 8 restrictions imposed by a homeowners association or by other
 9 private agreement, including restrictions relating to an
 10 accessory dwelling unit;

11 (3) supersedes applicable building codes, fire codes, or public
 12 health and safety laws;

13 (4) relieves a person from obtaining a required permit;

14 (5) prohibits a unit from taking enforcement actions, imposing
 15 fines, penalties, or requiring project modifications to bring a
 16 development into compliance; or

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

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

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

24 (1) declaratory and injunctive relief; and

25 (2) costs and reasonable attorney's fees.

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

29 **Chapter 4.2. Permitted Uses**

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

32 **Sec. 2. This chapter only applies to property that on January 1,**
 33 **2026, is located:**

34 (1) not more than one-quarter (1/4) of a mile from a public
 35 transit route;

36 (2) in the boundaries of a riverfront development project
 37 under IC 7.1-3-20-16.1; or

38 (3) in:

39 (A) an area zoned residential or commercial; and

40 (B) an allocation area of a redevelopment commission.

- 1 **Sec. 3. This chapter does not apply to property within:**
2 **(1) a historic area or historic zoning district created under:**
3 **(A) IC 36-7-11;**
4 **(B) IC 36-7-11.1;**
5 **(C) IC 36-7-11.2; or**
6 **(D) IC 36-7-11.3;**
7 **(2) a flood plain (as defined in IC 14-8-2-99); or**
8 **(3) subject to a homeowner's association.**
9 **Sec. 4. If an area is zoned for residential use, any one (1) of the**
10 **following is a permitted use on each lot or parcel:**
11 **(1) At least two (2) single family dwellings.**
12 **(2) At least one (1) duplex. However, a unit may require a**
13 **will-serve letter for a duplex.**
14 **Sec. 5. (a) This section only applies to an accessory dwelling unit**
15 **located within the corporate boundaries of a municipality.**
16 **(b) Unless a unit adopts an ordinance to opt out of this section**
17 **not later than December 31, 2026, an accessory dwelling unit is a**
18 **permitted use on a lot within an area that is zoned residential if:**
19 **(1) Only one (1) accessory dwelling unit is located on the lot.**
20 **(2) The property owner permanently resides in the principal**
21 **dwelling unit or the accessory dwelling unit.**
22 **Sec. 6. (a) This section only applies to an accessory dwelling unit**
23 **that located outside the corporate boundaries of a municipality.**
24 **(b) Unless a unit adopts an ordinance to opt out of this section**
25 **not later than December 31, 2026, an accessory dwelling unit is a**
26 **permitted use in any zoning classification, if the accessory dwelling**
27 **unit is on a lot or parcel that contains a single family dwelling. If:**
28 **(1) the lot or parcel is:**
29 **(A) located within the boundaries of a sewer district; or**
30 **(B) is otherwise eligible for connection to a public sewer**
31 **system;**
32 **unless a unit adopts an ordinance to opt out of this subdivision**
33 **not later than December 31, 2026, the unit may require a**
34 **will-serve letter from the applicable utility; or**
35 **(2) the lot or parcel is not located within a sewer district and**
36 **will be served by an on-site sewage system, unless a unit**
37 **adopts an ordinance to opt out of this subdivision not later**
38 **than December 31, 2026, the unit may require a:**
39 **(A) a new or modified septic construction permit issued by**
40 **the local health department; or**

1 **(B) written verification from the local health department**
 2 **that the existing on-site sewage system has sufficient**
 3 **capacity to serve the accessory dwelling unit.**

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

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

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

18 **(d) Unless a unit adopts an ordinance to opt out of this**
 19 **subsection not later than December 31, 2026, the impact fee for**
 20 **infrastructure identified in IC 36-7-4-1309(2) shall not exceed fifty**
 21 **percent (50%) of the impact fee rate charged for a single family**
 22 **dwelling.**

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

24 **(1) A zoning classification that allows heavy industrial use.**

25 **(2) Land that is located:**

26 **(A) not more than one thousand (1,000) feet from an**
 27 **existing heavy industrial use or development site; or**

28 **(B) not more than three thousand (3,000) feet from an**
 29 **airport or military base.**

30 **(3) An area designated by a unit as a clear zone under:**

31 **(A) standards adopted by the Indiana department of**
 32 **transportation; or**

33 **(B) air installations compatible use zones standards**
 34 **established by the United States Department of War.**

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

39 **(c) A unit may not adopt or enforce a restriction on a mixed use**
 40 **residential or multi-family residential development that is a**

1 permitted use under this chapter that does any of the following:

2 **(1) Imposes the following:**

3 **(A) A limit on density that is more restrictive than the**
4 **greater of:**

5 **(i) the highest residential density allowed in the unit; or**

6 **(ii) thirty-six (36) units per acre;**

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

9 **(B) A limit on building height that is more restrictive than**
10 **the greater of:**

11 **(i) the highest height that would apply to an office,**
12 **commercial, retail, or warehouse development**
13 **constructed on the site; or**

14 **(ii) sixty (60) feet;**

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

17 **(C) A setback or buffer requirement that is more**
18 **restrictive than the lesser of:**

19 **(i) a setback or buffer requirement that would apply to**
20 **an office, commercial, retail, or warehouse development**
21 **constructed on the site; or**

22 **(ii) twenty-five (25) feet;**

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

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

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

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

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

- 1 **2026.**
- 2 **(d) Unless a unit adopts an ordinance to opt out of this**
- 3 **subdivision not later than December 31, 2026, a unit may require:**
- 4 **(1) a will-serve letter; and**
- 5 **(2) an application fee, subject to IC 36-7-2.3.**
- 6 **Sec. 9. This chapter applies to property located in:**
- 7 **(1) an economic improvement district under IC 36-7-22;**
- 8 **(2) the economic enhancement district under IC 36-7-40; or**
- 9 **(3) similar improvement district.**
- 10 **Sec. 10. Unless a unit adopts an ordinance to opt out of this**
- 11 **section not later than December 31, 2026, the conversion of a**
- 12 **commercial property to a multi-family or mixed-use development**
- 13 **is a permitted use.**
- 14 SECTION 29. IC 36-7-4.3 IS ADDED TO THE INDIANA CODE
- 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 16 1, 2026]:
- 17 **Chapter 4.3. Increasing Housing Development**
- 18 **Sec. 1. This chapter does not apply to a unit that does not opt**
- 19 **out of the provisions that are applicable to the unit under**
- 20 **IC 36-7-4-201.3, IC 36-7-4.1, or IC 36-7-4.2.**
- 21 **Sec. 2. As used in this chapter, "unit" means a county, city, or**
- 22 **town.**
- 23 **Sec. 3. As used in this chapter, "UDO" means a unified**
- 24 **development ordinance.**
- 25 **Sec. 4. Not later than January 1, 2027, a unit conduct a public**
- 26 **hearing to review the UDO and any zoning regulations and land**
- 27 **development rules, with the goal of increasing housing**
- 28 **development by using the following factors:**
- 29 **(1) Providing for higher density development of duplexes,**
- 30 **triplexes, and fourplexes in areas designated for single family**
- 31 **homes.**
- 32 **(2) Constructing other housing types including accessory**
- 33 **dwelling units and manufactured and modular housing.**
- 34 **(3) Adaptive reuse of commercial buildings for residential use**
- 35 **such as allowing multifamily development in retail, office, and**
- 36 **light manufacturing zones.**
- 37 **(4) Increasing the allowable floor area ratio in multifamily**
- 38 **housing areas.**
- 39 **(5) Waiving or eliminating regulations such as requirements**
- 40 **for:**

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

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

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

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

39 (b) The program, which may include any relevant elements the
 40 commission considers appropriate, may be adopted as part of a

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

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

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

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

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

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

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

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

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

37 (f) A county or municipality may request from the department of
 38 local government finance a report, if it exists, describing the effect of
 39 current assessed value allocated to tax increment financing allocation
 40 areas on the amount of the tax levy or proceeds and the credit for

1 excessive property taxes under IC 6-1.1-20.6 for the taxing units within
2 the boundaries of the residential housing development program.

3 SECTION 31. IC 36-7-14-53.1 IS REPEALED [EFFECTIVE JULY
4 1, 2026]. Sec. 53.1: (a) Section 53 of this chapter as amended by the
5 general assembly in the 2023 session or subsequent session expires
6 June 30, 2027.

7 (b) This section applies beginning July 1, 2027, and is intended to
8 reinstate section 53 of this chapter as it was in effect on January 1,
9 2023.

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

- 15 (1) for a commission established by a county, the average of new;
16 single family residential houses constructed within the township
17 in which the area is located during the preceding three (3)
18 calendar years is less than one percent (1%) of the total number
19 of single family residential houses within that township on
20 January 1 of the year in which the resolution is adopted; or
21 (2) for a commission established by a municipality, the average
22 of new, single family residential houses constructed within the
23 municipal boundaries during the preceding three (3) calendar
24 years is less than one percent (1%) of the total number of single
25 family residential houses within the boundaries of the
26 municipality on January 1 of the year in which the resolution is
27 adopted.

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

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

39 (e) The notice and hearing provisions of sections 17 and 17.5 of this
40 chapter, including notice under section 17(c) of this chapter to a taxing

1 unit that is wholly or partly located within an allocation area; apply to
2 the resolution adopted under subsection (d). Judicial review of the
3 resolution may be made under section 18 of this chapter.

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

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

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

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

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

27 (h) The department of local government finance in cooperation with
28 either the appropriate county agency or the appropriate municipal
29 agency, or both, shall determine whether a county or municipality
30 meets the threshold requirements under subsection (c). In making the
31 determination, the department of local government finance may request
32 information necessary to make the determination. A county or
33 municipality may request from the department of local government
34 finance a report, if it exists, describing the effect of current assessed
35 value allocated to tax increment financing allocation areas on the
36 amount of the tax levy or proceeds and the credit for excessive property
37 taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of
38 the residential housing development program.

39 (i) A program established under subsection (c) may not take effect
40 until the governing body of each school corporation affected by the

1 ~~program passes a resolution approving the program.~~
2 SECTION 32. [EFFECTIVE UPON PASSAGE] **(a) The legislative**
3 **council is urged to assign to the appropriate interim study**
4 **committee the task of studying the topic of making residential**
5 **affordable housing a permitted use in an area zoned for residential**
6 **or commercial use if:**
7 **(1) a religious institution is the developer of the property or a**
8 **developer working on behalf of a religious institution;**
9 **(2) the development is located on property owned by the**
10 **religious institution; and**
11 **(3) the development exclusively contains affordable housing.**
12 **(b) This section expires December 31, 2026."**
13 Delete pages 20 through 28.
14 Page 29, delete lines 1 through 39.
15 Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as reprinted January 23, 2026.)