

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

LS 7120

BILL NUMBER: HB 1001

NOTE PREPARED: Jan 27, 2026

BILL AMENDED: Jan 22, 2026

SUBJECT: Housing Matters.

FIRST AUTHOR: Rep. Miller D

BILL STATUS: As Passed House

FIRST SPONSOR: Sen. Garten

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides the following are permitted uses that are approved without a hearing:

- (1) Single family dwellings and duplexes in residential zones.
- (2) An accessory dwelling unit within a single family dwelling.
- (3) Affordable housing on property purchased by a religious institution before January 1, 2025, in a residential or commercial zone.

The bill provides that the following apply to a unit, if the unit does not adopt an ordinance to opt out:

- (1) Prohibits a unit from requiring more than a specified number of parking spaces for multi-family dwelling units, single family dwellings, or commercial space.
- (2) Prohibits a unit from regulating design elements of residential structures.
- (3) Requires a mixed use residential or multi-family residential development to be a permitted use in an area zoned for commercial use.
- (4) Prohibits a unit from imposing requirements on lot sizes, density, setbacks, and building bulk on certain lots or parcels.

This bill also provides that a structure classified as an R-2 building occupancy classification that is not more than: (1) three stories; and (2) 24 total units; shall be permitted to have a passenger elevator not larger than an elevator that accommodates a wheelchair.

It also adds requirements regarding the location of impact zones designated by a unit after June 30, 2026. It provides that after December 31, 2026, if a unit fails to update its zoning ordinance within one year after adopting or amending its comprehensive plan, the unit must approve a project that complies with the comprehensive plan or the zoning ordinance. After December 31, 2026, the bill restricts a unit's ability to impose and increase fees related to building approvals and permits. It delays implementation of building permit increases to 180 days after publication of the ordinance.

Beginning January 1, 2027, it requires a unit to annually report to the Indiana Housing and Community Development Authority (IHCDA) certain information concerning housing in the unit.

The bill also resolves conflicts for IC 36-2-4-8, which was amended by both P.L.22-2021 and P.L.152-2021.

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

Explanation of State Expenditures: The IHCDA may see minor increases in administrative workloads to review annual housing reports from local units and to publish these reports online. These provisions can be implemented with existing resources and staff.

Explanation of State Revenues: *Court Fee Revenue:* This bill provides that a person adversely affected or aggrieved by a unit for circumstances outlined in this bill may bring an action for declaratory and injunctive relief, costs, and reasonable attorney's fees. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

Explanation of Local Expenditures: *Planning and Zoning Authorities:* This bill's provisions may increase the administrative workload for planning and zoning authorities. It requires them to submit an annual housing progress report to the IHCDA and the executive director of the LSA and to hold a public hearing before a municipality may adopt an impact fee. Local units may also see an increase in workload to ensure their ordinances comply with the bill's provisions. These provisions should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of Local Revenues: *Court Fee Revenue:* This bill provides that a person adversely affected or aggrieved by a unit for circumstances outlined in this bill may bring an action for declaratory and injunctive relief, costs, and reasonable attorney's fees. If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

Housing Development Fee Revenue: This bill's provisions affecting fees on applicable housing developments will likely decrease units' fee revenue. The actual fiscal impact will depend on the housing development activity in each unit.

State Agencies Affected: IHCDA; LSA.

Local Agencies Affected: Trial courts, city and town courts. All units.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.

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