HOUSE BILL No. 1001

AM100103 has been incorporated into introduced printing.

Synopsis: Housing matters.

Introduced

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.

Merged

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:

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 unit exercising planning and zoning powers under IC 36-7-4.**

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

(c) Beginning January 1, 2027, and January 1 of each year thereafter, a 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 report:

(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; and

(4) the calendar days spent by the unit in processing housing proposal applications;

during the immediately preceding year.

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

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

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

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

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

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

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

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body of a county subject to IC 36-2-3.5 and there is an urgent necessity requiring its immediate effectiveness, it need not be published if:*~~

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

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

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

~~*(1) An ordinance or resolution passed by the legislative body of a county subject to IC 36-2-3.5 is considered adopted only if it is:*~~

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

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

~~*or*~~

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

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

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

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

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

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

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

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

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

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

~~*(c)*~~ *(d)* This section (other than subsection ~~*(c)(2))*~~ *(c)(1))* does not apply to a zoning ordinance or amendment to a zoning ordinance, or a resolution approving a comprehensive plan, that is adopted under IC 36-7.

~~*(f)*~~ *(e)* An ordinance increasing a building permit fee on new development must:

(1) be published:

(A) one (1) time in accordance with IC 5-3-1; and

(B) not later than thirty (30) days after the ordinance is adopted by the legislative body in accordance with IC 5-3-1; and

(2) delay the implementation of the fee increase for ~~ninety (90)~~ **one hundred eighty (180)** days after the date the ordinance is published under subdivision (1).

~~(g)~~ *(f)* The notice requirements of subsection ~~(e)(2)~~ *(c)(1)* apply only if the municipal corporation received under IC 13-25-5-8.5(f) written notice that the department is relying on the environmental restrictive ordinance referred to in subsection ~~(e)(2)~~ *(c)(1)* as part of a risk based remediation proposal:

(1) approved by the department; and

(2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4, or IC 13-25-5.

SECTION 3. IC 36-4-6-14, AS AMENDED BY P.L.159-2011, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 14. (a) An ordinance, order, or resolution passed by the legislative body is considered adopted when it is:

(1) signed by the presiding officer; and

(2) either approved by the city executive or passed over the executive's veto by the legislative body, under section 16 of this chapter.

If required by statute, an adopted ordinance, order, or resolution must be promulgated or published before it takes effect.

(b) An ordinance prescribing a penalty or forfeiture for a violation must, before it takes effect, be published in the manner prescribed by IC 5-3-1, unless:

(1) it is published under subsection (c); or

(2) there is an urgent necessity requiring its immediate effectiveness, the city executive proclaims the urgent necessity, and copies of the ordinance are posted in three (3) public places in each of the districts from which members are elected to the legislative body.

(c) Except as provided in subsection (e), if a city publishes any of its ordinances in book or pamphlet form, no other publication is required. If an ordinance prescribing a penalty or forfeiture for a violation is published under this subsection, it takes effect two (2) weeks after the publication of the book or pamphlet. Publication under this subsection, if authorized by the legislative body, constitutes presumptive evidence:

(1) of the ordinances in the book or pamphlet;

(2) of the date of adoption of the ordinances; and

(3) that the ordinances have been properly signed, attested, recorded, and approved.

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

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

(1) be published:

(A) one (1) time in accordance with IC 5-3-1; and

(B) not later than thirty (30) days after the ordinance is adopted by the legislative body in accordance with IC 5-3-1; and

(2) delay the implementation of the fee increase for ~~ninety (90)~~ **one hundred eighty (180)** days after the date the ordinance is published under subdivision (1).

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

(1) subject to subsection (g), give written notice to the department of environmental management not later than sixty (60) days before amendment or repeal of an environmental restrictive ordinance; and

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

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

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

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

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

(1) approved by the department; and

(2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4, or IC 13-25-5.

SECTION 4. IC 36-5-2-10, AS AMENDED BY P.L.105-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2026]: Sec. 10. (a) An ordinance, order, or resolution passed by the legislative body is considered adopted when it is signed by the executive. If required by statute, an adopted ordinance, order, or resolution must be promulgated or published before it takes effect.

(b) An ordinance prescribing a penalty or forfeiture for a violation must, before it takes effect, be published in the manner prescribed by IC 5-3-1, unless:

(1) it is published under subsection (c); or

(2) it declares an emergency requiring its immediate effectiveness and is posted in:

(A) one (1) public place in each district in the town; or

(B) a number of public places in the town equal to the number of town legislative body members, if the town has abolished legislative body districts under section 4.1 of this chapter.

(c) Except as provided in subsection (e), if a town publishes any of its ordinances in book or pamphlet form, no other publication is required. If an ordinance prescribing a penalty or forfeiture for a violation is published under this subsection, it takes effect two (2) weeks after the publication of the book or pamphlet. Publication under this subsection, if authorized by the legislative body, constitutes presumptive evidence:

(1) of the ordinances in the book or pamphlet;

(2) of the date of adoption of the ordinances; and

(3) that the ordinances have been properly signed, attested, recorded, and approved.

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

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

(1) be published:

(A) one (1) time in accordance with IC 5-3-1; and

(B) not later than thirty (30) days after the ordinance is adopted by the legislative body in accordance with IC 5-3-1; and

(2) delay the implementation of the fee increase for ~~ninety (90)~~ **one hundred eighty (180)** days after the date the ordinance is published under subdivision (1).

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

(1) subject to subsection (g), give written notice to the department of environmental management not later than sixty

(60) days before amendment or repeal of an environmental restrictive ordinance; and

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

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

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

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

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

(1) approved by the department; and

(2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4, or IC 13-25-5.

SECTION 5. IC 36-7-1-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. "Accessory dwelling unit" means a self-contained living unit internal to or on the same lot or parcel as a single family dwelling that:**

(1) does not exceed the lesser of:

(A) seventy-five percent (75%) of the interior habitable area (gross floor area) of the single family dwelling; or

(B) one thousand (1,000) square feet;

(2) includes its own cooking, sleeping, and sanitation facilities; and

(3) complies with or is otherwise exempt from any applicable building codes, fire safety codes, and other public health and safety laws.

The term does not include a manufactured home (as defined in IC 36-7-4-1106(b)) that is subject to the standards and requirements set forth in IC 36-7-4-1106.

SECTION 6. IC 36-7-1-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 4.5. As used in this chapter, "Class 1 structure" has the meaning set forth in IC 22-12-1-4.**

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

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

SECTION 9. IC 36-7-1-21.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 21.8. "Will-serve letter" means a written document:**

(1) issued by a water and sewer service provider to an owner or developer of a project or dwelling; and

(2) that states the provider is able and willing to provide water and sewer service to the project or dwelling subject to the conditions, if any, set forth in the document.

SECTION 10. IC 36-7-2.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 2.3. Limits on Building and Construction Related Fees

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

(1) construction or reconstruction of:

(A) residential buildings;

(B) commercial buildings;

(C) industrial buildings;

(D) any other building or building space; or

(E) an appurtenance to a building described in clauses (A) through (D); or

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

including a fee designated as a permit fee (including a fee for a permit under IC 36-7-4-1109(f)), application fee, inspection fee, impact fee under IC 36-7-4-1300, processing fee, or by another name.

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

Sec. 3. After December 31, 2026:

(1) Unless otherwise provided by law and subject to

subdivisions (2) and (3), a unit may not assess a fee in an amount that is more than is reasonably necessary to cover the applicable cost to the unit to:

(A) process an application;

(B) inspect and review an applicant's plans; or

(C) prepare detailed statements for an applicant.

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

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

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

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

(3) The total combined applicable fees for a particular Class 1 or Class 2 structure may not exceed two percent (2%) of the construction costs of the applicable Class 1 or Class 2 structure. However, a unit may adopt an ordinance to opt out of this subdivision.

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

SECTION 11. IC 36-7-4-201.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 201.3. (a) This section applies to a unit unless the unit adopts an ordinance to opt out of this section.**

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

(1) A structure located in 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 structure located in an area designated as a historic district under state law or on the National Register of Historic Places.

(3) A structure designated as a local, state, or national historic landmark.

(4) A structure located on property that is covered by rules, covenants, conditions, and restrictions, or other governing documents (as defined in IC 32-25.5-2-3) of a homeowners association.

(5) A structure owned or operated by a political subdivision.

(6) A regulation adopted as a condition for participation in the National Flood Insurance Program.

(7) A regulation or standard established by a federal or state agency as a condition for participation in a federal or state housing program.

(8) A regulation or standard adopted under IC 22-13-2-2 by the commission as part of the statewide code of fire safety laws and building laws.

(c) Except as provided in subsection (d), as used in this section, "design elements", with respect to a structure, means:

(1) exterior building color;

(2) type or style of exterior cladding material;

(3) style or material of roof structures, roof pitches, or porches;

(4) exterior nonstructural architectural ornamentation;

(5) location, design, placement, or architectural styling of windows and doors, including garage doors and garage structures;

(6) the number and types of rooms; and

(7) the minimum square footage of a structure.

(d) For purposes of this section, "design elements" do not include:

(1) the height, bulk, orientation, or location of a structure or lot; or

(2) buffering or screening used to:

(A) minimize visual impacts;

(B) mitigate the impacts of light and noise; or

(C) protect the privacy of neighbors.

(e) As used in this section, "residential structure" refers to:

(1) a Class 1 structure with an occupancy classification of Residential Group R; or

(2) a Class 2 structure, including an accessory dwelling unit.

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

(1) a unit may not regulate design elements of residential structures; and

(2) any rule, ordinance, or other regulation of the unit that conflicts with this section is void.

(g) A person aggrieved by an action in violation of this section by a unit that has not opted out of this section, may file, in a circuit or superior court having jurisdiction, a petition to obtain an injunction against a violation of this section by a unit.

SECTION 12. IC 36-7-4-1109, AS AMENDED BY P.L.223-2025, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1109. (a) As used in this section, "applicant" means a person that applies to a local authority for a permit or approval.

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

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

(1) Project elements including:

(A) permitted uses;

(B) residential densities;

(C) nonresidential densities and intensities;

(D) building sizes;

(E) impact fees, inspection fees, or dedications;

(F) mitigation measures, development conditions, and other requirements;

(G) design standards;

(H) affordable housing;

(I) parks and open space preservation;

(J) phasing; and

(K) review procedures and standards for implementing decisions.

(2) Any other development requirement or procedure.

(d) As used in this section, "legal restrictions" means statutes, ordinances, rules, development standards, policies, and regulations. The term does not include building codes under IC 22-13.

(e) As used in this section, "local authority" includes any agency, officer, board, or commission of a local unit of government that may issue:

(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.

(f) As used in this section, "permit" means any of the following:

(1) An improvement location permit.

(2) A building permit.

(3) A certificate of occupancy.

(4) Approval of a site-specific development plan.

(5) Approval of a primary or secondary plat.

(6) Approval of a variance, contingent use, conditional use, special exception, or special use.

(7) Approval of a planned unit development.

(g) If a person files with the appropriate local authority a complete application for a permit, as required by the legal restrictions of a local unit of government or a local authority, the granting of:

(1) the permit; and

(2) any secondary, additional, or related permits or approvals required from the same local authority with respect to the general subject matter of the application for the first permit;

are governed, for a period of at least three (3) years after the date the person files a complete permit application, by the legal restrictions in effect and applicable to the property at the time the complete application is filed.

(h) Subsection (g) applies even if the legal restrictions governing the granting of the permit or approval are changed by the general assembly or the applicable local legislative body or regulatory body:

(1) before the issuance of the permit;

(2) while the permit approval process is pending;

(3) before the issuance of any secondary, additional, or related permits or approvals; or

(4) while the secondary, additional, or related permit or approval process is pending.

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

(i) Subsection (j) applies if:

(1) either:

(A) a local authority issues to a person a permit or grants a person approval for the construction of a development, a building, or another structure; or

(B) a permit or approval is not required from the local authority for the construction of the development, building, or structure;

(2) before beginning the construction of the development, building, or structure, the person must obtain a permit or approval for the construction of the development, building, or structure from a state governmental agency; and

(3) the person has applied for the permit or requested the approval for the construction of the development, building, or structure from the state governmental agency within ninety (90) days of issuance of the permit or the granting of approval by the local authority, as applicable.

(j) Subject to subsection (l), if the conditions of subsection (i) are satisfied:

(1) a permit or approval issued or granted to a person by the local authority for the construction of the development, building, or structure; or

(2) the person's right to construct the development, building, or structure without a permit or approval from the local authority;

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

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

(1) before the commencement of the construction; or

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

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

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

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

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

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

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

(o) This section does not authorize the impairment of any vested right or abrogate any rights vested under common law. Without limiting the time in which rights might vest, an applicant's rights are considered vested in land use when the applicant obtains a permit or reasonably relies on existing law regarding development of a specific project. Rights considered vested under this subsection are not affected by a subsequent amendment to a zoning ordinance.

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

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

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

(r) After December 31, 2025, this subsection does not apply to a permit to which IC 36-7-2.5 applies. A local authority must, not later than twelve (12) business days after a person has filed a complete

application for a permit for which approval is ministerial under IC 36-7-4-402 or an improvement location permit issued under the 800 series of this chapter and meets all conditions required under this chapter and any other statute, issue the permit to the person.

(s) This subsection applies after December 31, 2026. This subsection applies if a unit fails to adopt or amend legal restrictions consistent with the contents of a new or amended comprehensive plan, not later than one (1) year after the date the new or amended comprehensive plan is adopted. 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:

(1) is consistent with the new or amended comprehensive plan; or

(2) satisfies the legal restrictions, including the zoning ordinance, zone maps, or subdivision control ordinance in effect on the date the permit application is submitted.

SECTION 13. IC 36-7-4-1109.4, AS AMENDED BY P.L.223-2025, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]: Sec. 1109.4. (a) This section does not apply to the issuance of:

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

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

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

(b) A local authority shall review a permit application for completeness. If a local authority determines that an application is incomplete, the local authority must, not later than thirty (30) days after receipt of the application, notify the applicant in writing of all defects in the application. If a local authority fails to notify an applicant as required under this subsection, the local authority shall consider the permit application to be complete.

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

(1) cure the defects in the application; and

(2) resubmit the corrected application to the local authority;

not later than thirty (30) days after receiving the notice. If an applicant is unable to cure the defects within the thirty (30) day period, the applicant shall notify the local authority of the additional time the applicant requires to cure the defects.

(d) Subject to subsection (e), not more than ninety (90) days after

making an initial determination of completeness under subsection (b), a local authority shall:

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

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

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

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

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

SECTION 14. IC 36-7-4-1311, AS AMENDED BY P.L.149-2016, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1311. (a) The legislative body of a unit may adopt an ordinance imposing an impact fee on new development in the geographic area over which the unit exercises planning and zoning jurisdiction. The ordinance must aggregate the portions of the impact fee attributable to the infrastructure types covered by the ordinance so that a single and unified impact fee is imposed on each new development.

(b) If the legislative body of a unit has planning and zoning jurisdiction over the entire geographic area covered by the impact fee ordinance, an ordinance adopted under this section shall be adopted in the same manner that zoning ordinances are adopted under the 600 SERIES of this chapter.

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

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

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

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

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

(1) section 1316.5 of this chapter; and

(2) any other applicable provision;

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

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

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

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

(B) the fee, charge, or assessment is not used to fund construction of new infrastructure unless the new infrastructure is of the same type for which the fee, charge, or assessment is imposed and will serve the payer; and

(C) the fee, charge, or assessment constitutes a reasonable charge for the services provided in accordance with IC 36-1-3-8(a)(6) or other governing statutes requiring that any fees, charges, or assessments bear a reasonable relationship to the infrastructure provided.

(2) Fees, charges, and assessments agreed upon under a contractual agreement entered into before April 1, 1991, or fees, charges, and assessments agreed upon under a contractual agreement, if the fees, charges, and assessments are treated as impact deductions under section 1321(d) of this chapter if an

impact fee ordinance is in effect.

SECTION 15. IC 36-7-4-1316 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1316. **(a) This section only applies to an impact zone designated under section 1315 of this chapter before July 1, 2026.**

(b) A unit must include in an impact zone ~~designated under section 1315 of this chapter~~ 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; and

(3) all areas included in the impact zone are contiguous.

SECTION 16. 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) 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 one (1) mile from the infrastructure type described in section 1309(2), 1309(3), and 1309(4) of this chapter.

SECTION 17. 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. Permitted Uses; 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; or

(2) a flood plain (as defined in IC 14-8-2-99).

Sec. 3. As used in this chapter, "affordable housing" means a residential dwelling unit reserved for a household whose income does not exceed eighty percent (80%) of the median income for the area as set out by the United States Department of Housing and Urban Development.

Sec. 4. 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. 5. 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. 6. 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. 7. 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. 8. As used in this chapter, "religious institution" means a bona fide church, religious denomination, or religious organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

Sec. 9. (a) Notwithstanding IC 36-7-4 or any other law, the following are permitted uses:

(1) A single family dwelling or duplex within an area zoned for residential use, under section 10 of this chapter.

(2) At least one (1) accessory dwelling unit on a lot or parcel containing a single family dwelling under section 11 of this chapter.

(3) Affordable housing on property owned by a religious institution in an area zoned for residential or commercial use under section 12 of this chapter.

(4) A mixed use residential or multi-family residential development in an area zoned for commercial use under section 18 of this chapter.

(b) Notwithstanding IC 36-7-4 or any other law, a unit may not adopt or enforce restrictions regarding single family dwellings or duplexes that violate this chapter.

Sec. 10. (a) If 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.

(b) A unit may require a will-serve letter for a dwelling under subsection (a)(2).

(c) This subsection applies to a dwelling that is connected to water and sewer service. Except for a dwelling under section 14 or 15 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.

(d) An accessory dwelling unit may be prohibited on a lot or parcel unless the lot or parcel contains a single family dwelling as provided in section 11 of this chapter.

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

(1) side setbacks greater than seven and five-tenths (7.5) feet on each side;

(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.

Sec. 11. (a) Any accessory dwelling unit that is internal to a single family dwelling that meets the requirements of this section is a permitted use. A single family dwelling may have one (1) or more accessory dwelling units as permitted uses, if the accessory dwelling units satisfy the requirements of this section.

(b) The interior habitable area (gross floor area) of an accessory dwelling unit may not exceed the lesser of:

(1) seventy-five percent (75%) of the interior habitable area (gross floor area) of the single family dwelling; or

(2) one thousand (1,000) square feet.

(c) A unit may require all of the following:

(1) A will-serve letter for each accessory dwelling unit.

(2) An application fee for each accessory dwelling unit, of not more than two hundred fifty dollars ($250). The application fee is in addition to any other fees charged by the municipality for single family residential construction.

(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.

Sec. 12. Residential affordable housing is 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 purchased before January 1, 2025;

(3) the development has been approved by the legislative body of the unit with jurisdiction over the property where the development is to be located;

(4) the development exclusively contains affordable housing; and

(5) the developer has obtained all other permits including building permits required by law.

Sec. 13. 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 18 of this chapter; and

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

(2) Require an application fee that:

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

(B) violates IC 36-7-2.3.

(3) Require the property owner, in the case of a single family dwelling with an accessory dwelling unit, to occupy the single family dwelling or the accessory dwelling unit.

(4) Require a familial, marital, or employment relationship between the occupants of a single family dwelling and the occupants of the accessory dwelling unit.

(5) 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.

Sec. 14. (a) This section does not apply to a municipality that adopts an ordinance to opt out of this section.

(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, 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. 15. (a) This section does not apply to a municipality that adopts an ordinance to opt out of this section.

(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, unless a municipality adopts an ordinance to opt out 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.

(B) More than thirty percent (30%) open space or permeable surface.

(C) Fewer than three (3) full stories not exceeding ten (10) feet in height measured from the interior floor to ceiling.

(D) A maximum building bulk.

(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.

(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.

Sec. 16. (a) This section does not apply to a unit that adopts an ordinance to opt out of this section.

(b) 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.

(c) Unless a unit adopts an ordinance to opt out of this section, 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.

(d) Unless a unit adopts an ordinance to opt out of this section, 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:

(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;

(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; or

(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.

(2) Requires a multi-level parking structure. A mixed use residential or multi-family residential development is subject to the parking requirements in this chapter.

(3) 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.

(4) Requires a multi-family residential development that is not located in an area zoned for mixed use residential use to contain nonresidential uses.

(e) A unit may require:

(1) a will-serve letter; and

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

Sec. 17. (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. 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.

(c) 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).

(d) 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.

Sec. 18. (a) This section does not apply to a unit that opts out of this section by adopting an ordinance.

(b) Unless a unit adopts an ordinance to opt out of this section, 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) An accessory dwelling unit under section 11 of this chapter.

(4) Parking requirements for carpools.

(5) Temporary or time-restricted parking.

(6) 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, 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, 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. 19. 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. 20. Notwithstanding section 19 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. 21. A zoning ordinance adopted before July 1, 2026, is void to the extent the ordinance conflicts with this chapter. However, this chapter does not apply to or affect any application for a permit under IC 36-7-4 submitted to a unit before July 1, 2026.

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

(1) declaratory and injunctive relief; and

(2) costs and reasonable attorney's fees.

SECTION 18. **An emergency is declared for this act.**