

---

# HOUSE BILL No. 1001

AM100105 has been incorporated into January 23, 2026 printing.

---

**Synopsis:** Housing matters.

---

M  
e  
r  
g  
e  
d

HB 1001—LS 7120/DI 87



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

Reprinted  
January 23, 2026

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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

M  
e  
r  
g  
e  
d

## HOUSE BILL No. 1001

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

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

- 1 SECTION 1. IC 5-20-1-28.5 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 **unit exercising planning and zoning powers under IC 36-7-4.**  
5 **(b) As used in this section, "unit" means a county, city, or**  
6 **town.**  
7 **(c) Beginning January 1, 2027, and January 1 of each year**  
8 **thereafter, a 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 number of housing proposals that were submitted to**  
15 **the unit.**

HB 1001—LS 7120/DI 87



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

- 1           **(2) The number of housing proposals that were approved by**
- 2           **the unit.**
- 3           **(3) The number of housing proposals that were denied by the**
- 4           **unit.**
- 5           **(4) The calendar days spent by the unit in processing housing**
- 6           **proposal applications.**
- 7           **(5) Any impact fees that were adopted by the unit. If impact**
- 8           **fees were adopted, the unit must provide a copy of the zone**
- 9           **improvement plan.**
- 10          **(e) If the number of housing proposals reported under**
- 11          **subsection (d)(1) does not equal the sum of the number of housing**
- 12          **proposals reported under subsection (d)(2) and (d)(3), information**
- 13          **must be provided to explain the discrepancy.**
- 14          SECTION 2. IC 5-20-1-29 IS ADDED TO THE INDIANA CODE
- 15          AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 16          1, 2026]: **Sec. 29. (a) As used in this section, "unit" means a county,**
- 17          **city, or town.**
- 18          **(b) Not later than January 1, 2027, and not later than January**
- 19          **1 of each year thereafter, a unit shall report the following**
- 20          **information to the authority regarding the status of housing in the**
- 21          **unit for the prior calendar year:**
- 22                **(1) The average and median home sale prices and the year**
- 23                **over year change.**
- 24                **(2) The median rent prices and year over year change.**
- 25                **(3) The number of residential dwelling units constructed and**
- 26                **occupied in total and by type.**
- 27                **(4) The percentage of new residential dwelling units**
- 28                **constructed that are listed at each of the following:**
- 29                    **(A) Eighty percent (80%) or less of the unit's median**
- 30                    **income.**
- 31                    **(B) Eighty-one percent (81%) to one hundred nineteen**
- 32                    **percent (119%) of the unit's median income.**
- 33                    **(C) One hundred twenty percent (120%) or more of the**
- 34                    **unit's median income.**
- 35                **(5) Any statutory requirements the unit opted out of by**
- 36                **ordinance, including the following:**
- 37                    **(A) The date the unit enacted the ordinance.**
- 38                    **(B) The geographic scope of the opt out.**
- 39                    **(C) The unit's justification for opting out of the**
- 40                    **statutory requirement.**
- 41          **(c) A unit shall use applicable data and information from the**
- 42          **2025 calendar year as a reference point for the information**

M  
e  
r  
g  
e  
d



1 required to be reported under subsection (b).

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

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

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

9 SECTION 3. IC 36-2-4-8, AS AMENDED BY P.L.22-2021,  
10 SECTION 5, AND AS AMENDED BY P.L.152-2021, SECTION 39,  
11 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) An ordinance, order, or  
13 resolution is considered adopted when it is signed by the presiding  
14 officer. If required, an adopted ordinance, order, or resolution must be  
15 promulgated or published according to statute before it takes effect.

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

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

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

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

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

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

28 (1) the county executive proclaims the urgent necessity; and

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

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

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

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

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

41 or

42 (C) passed over the veto of the executive by a two-thirds

M  
e  
r  
g  
e  
d



- 1 ~~(2/3)~~ *vote of the legislative body, within sixty (60) days*  
 2 *after presentation of the ordinance or resolution to the*  
 3 *executive.*
- 4 ~~(2)~~ (1) Subject to subsection ~~(g)~~ (f), the legislative body of a  
 5 county shall:
- 6 (A) subject to subdivision ~~(3)~~ (2), give written notice to the  
 7 department of environmental management not later than  
 8 sixty (60) days before amendment or repeal of an  
 9 environmental restrictive ordinance; and
- 10 (B) give written notice to the department of environmental  
 11 management not later than thirty (30) days after passage,  
 12 amendment, or repeal of an environmental restrictive  
 13 ordinance.
- 14 ~~(3)~~ (2) Upon written request by the legislative body, the  
 15 department of environmental management may waive the notice  
 16 requirement of subdivision ~~(2)(A)~~ (1)(A).
- 17 ~~(4)~~ (3) An environmental restrictive ordinance passed or  
 18 amended after 2009 by the legislative body must state the notice  
 19 requirements of subdivision ~~(2)~~ (1).
- 20 ~~(5)~~ (4) The failure of an environmental restrictive ordinance to  
 21 comply with subdivision ~~(4)~~ (3) does not void the ordinance.
- 22 ~~(d)~~ After an ordinance or resolution passed by the legislative body  
 23 of a county subject to IC 36-2-3.5 has been signed by the presiding  
 24 officer, the county auditor shall present it to the county executive, and  
 25 record the time of the presentation. Within ten ~~(10)~~ days after an  
 26 ordinance or resolution is presented to it, the executive shall:
- 27 ~~(1)~~ approve the ordinance or resolution, by signature of a  
 28 majority of the executive (in the case of a county subject to  
 29 IC 36-2-3.5), and send the legislative body a message  
 30 announcing its approval; or
- 31 ~~(2)~~ veto the ordinance or resolution, by returning it to the  
 32 legislative body with a message announcing its veto and stating  
 33 its reasons for the veto:
- 34 ~~(e)~~ (d) This section (other than subsection ~~(e)(2)~~ (c)(1)) does not  
 35 apply to a zoning ordinance or amendment to a zoning ordinance, or a  
 36 resolution approving a comprehensive plan, that is adopted under  
 37 IC 36-7.
- 38 ~~(f)~~ (e) An ordinance increasing a building permit fee on new  
 39 development must:
- 40 (1) be published:
- 41 (A) one (1) time in accordance with IC 5-3-1; and
- 42 (B) not later than thirty (30) days after the ordinance is

M  
e  
r  
g  
e  
d

1 adopted by the legislative body in accordance with IC 5-3-1;  
2 and  
3 (2) delay the implementation of the fee increase for ~~ninety (90)~~  
4 **one hundred eighty (180)** days after the date the ordinance is  
5 published under subdivision (1).

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

- 11 (1) approved by the department; and
- 12 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4,  
13 or IC 13-25-5.

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

- 18 (1) signed by the presiding officer; and
- 19 (2) either approved by the city executive or passed over the  
20 executive's veto by the legislative body, under section 16 of this  
21 chapter.

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

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

- 27 (1) it is published under subsection (c); or
- 28 (2) there is an urgent necessity requiring its immediate  
29 effectiveness, the city executive proclaims the urgent necessity,  
30 and copies of the ordinance are posted in three (3) public places  
31 in each of the districts from which members are elected to the  
32 legislative body.

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

- 40 (1) of the ordinances in the book or pamphlet;
- 41 (2) of the date of adoption of the ordinances; and
- 42 (3) that the ordinances have been properly signed, attested,

M  
e  
r  
g  
e  
d



- 1 recorded, and approved.
- 2 (d) This section (other than subsection (f)) does not apply to a  
3 zoning ordinance or amendment to a zoning ordinance, or a resolution  
4 approving a comprehensive plan, that is adopted under IC 36-7.
- 5 (e) An ordinance increasing a building permit fee on new  
6 development must:
- 7 (1) be published:
- 8 (A) one (1) time in accordance with IC 5-3-1; and  
9 (B) not later than thirty (30) days after the ordinance is  
10 adopted by the legislative body in accordance with IC 5-3-1;  
11 and
- 12 (2) delay the implementation of the fee increase for ~~ninety (90)~~  
13 **one hundred eighty (180)** days after the date the ordinance is  
14 published under subdivision (1).
- 15 (f) Subject to subsection (j), the legislative body shall:
- 16 (1) subject to subsection (g), give written notice to the  
17 department of environmental management not later than sixty  
18 (60) days before amendment or repeal of an environmental  
19 restrictive ordinance; and
- 20 (2) give written notice to the department of environmental  
21 management not later than thirty (30) days after passage,  
22 amendment, or repeal of an environmental restrictive ordinance.
- 23 (g) Upon written request by the legislative body, the department  
24 of environmental management may waive the notice requirement of  
25 subsection (f)(1).
- 26 (h) An environmental restrictive ordinance passed or amended  
27 after 2009 by the legislative body must state the notice requirements of  
28 subsection (f).
- 29 (i) The failure of an environmental restrictive ordinance to comply  
30 with subsection (h) does not void the ordinance.
- 31 (j) The notice requirements of subsection (f) apply only if the  
32 municipal corporation received under IC 13-25-5-8.5(f) written notice  
33 that the department is relying on the environmental restrictive  
34 ordinance referred to in subsection (f) as part of a risk based  
35 remediation proposal:
- 36 (1) approved by the department; and  
37 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4,  
38 or IC 13-25-5.
- 39 SECTION 5. IC 36-5-2-10, AS AMENDED BY P.L.105-2013,  
40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2026]: Sec. 10. (a) An ordinance, order, or resolution passed  
42 by the legislative body is considered adopted when it is signed by the

M  
e  
r  
g  
e  
d

HB 1001—LS 7120/DI 87



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

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

- 6 (1) it is published under subsection (c); or  
7 (2) it declares an emergency requiring its immediate  
8 effectiveness and is posted in:

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

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

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

- 21 (1) of the ordinances in the book or pamphlet;  
22 (2) of the date of adoption of the ordinances; and  
23 (3) that the ordinances have been properly signed, attested,  
24 recorded, and approved.

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

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

- 30 (1) be published:  
31 (A) one (1) time in accordance with IC 5-3-1; and  
32 (B) not later than thirty (30) days after the ordinance is  
33 adopted by the legislative body in accordance with IC 5-3-1;  
34 and  
35 (2) delay the implementation of the fee increase for ~~ninety (90)~~  
36 **one hundred eighty (180)** days after the date the ordinance is  
37 published under subdivision (1).

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

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

M  
e  
r  
g  
e  
d

HB 1001—LS 7120/DI 87



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 (2) give written notice to the department of environmental  
 2 management not later than thirty (30) days after passage,  
 3 amendment, or repeal of an environmental restrictive ordinance.  
 4 (g) Upon written request by the legislative body, the department  
 5 of environmental management may waive the notice requirement of  
 6 subsection (f)(1).  
 7 (h) An environmental restrictive ordinance passed or amended  
 8 after 2009 by the legislative body must state the notice requirements of  
 9 subsection (f).  
 10 (i) The failure of an environmental restrictive ordinance to comply  
 11 with subsection (h) does not void the ordinance.  
 12 (j) The notice requirements of subsection (f) apply only if the  
 13 municipal corporation received under IC 13-25-5-8.5(f) written notice  
 14 that the department is relying on the environmental restrictive  
 15 ordinance referred to in subsection (f) as part of a risk based  
 16 remediation proposal:  
 17 (1) approved by the department; and  
 18 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4,  
 19 or IC 13-25-5.  
 20 SECTION 6. IC 36-7-1-1.5 IS ADDED TO THE INDIANA CODE  
 21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 22 1, 2026]: **Sec. 1.5. "Accessory dwelling unit" means a self-contained  
 23 living unit internal to or on the same lot or parcel as a single family  
 24 dwelling that:**  
 25 **(1) does not exceed the lesser of:**  
 26 **(A) seventy-five percent (75%) of the interior habitable**  
 27 **area (gross floor area) of the single family dwelling; or**  
 28 **(B) one thousand (1,000) square feet;**  
 29 **(2) includes its own cooking, sleeping, and sanitation**  
 30 **facilities; and**  
 31 **(3) complies with or is otherwise exempt from any applicable**  
 32 **building codes, fire safety codes, and other public health and**  
 33 **safety laws.**  
 34 **The term does not include a manufactured home (as defined in**  
 35 **IC 36-7-4-1106(b)) that is subject to the standards and**  
 36 **requirements set forth in IC 36-7-4-1106.**  
 37 SECTION 7. IC 36-7-1-4.5 IS ADDED TO THE INDIANA CODE  
 38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 39 1, 2026]: **Sec. 4.5. As used in this chapter, "Class 1 structure" has**  
 40 **the meaning set forth in IC 22-12-1-4.**  
 41 SECTION 8. IC 36-7-1-4.7 IS ADDED TO THE INDIANA CODE  
 42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

M  
e  
r  
g  
e  
d

HB 1001—LS 7120/DI 87



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 9. 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 10. 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 11. 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

M  
e  
r  
g  
e  
d



1 the applicable cost to the unit to:

2 (A) process an application;

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

4 (C) prepare detailed statements for an applicant.

5 (2) Except as otherwise provided in this subdivision, any fee,

6 including a fee adopted before January 1, 2027, may be

7 increased:

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

9 (B) by an amount not to exceed the combined annual

10 percentage change in the Consumer Price Index for all

11 Urban Consumers, as published by the United States

12 Bureau of Labor Statistics, for the preceding five (5)

13 years.

14 However, if the cost to the unit substantially changes from

15 the amount described in subdivision (1), the legislative body

16 of the unit may adjust the fee to accurately reflect the cost to

17 the unit after conducting a public hearing.

18 (3) The total combined applicable fees for a particular Class

19 1 or Class 2 structure may not exceed two percent (2%) of

20 the construction costs of the applicable Class 1 or Class 2

21 structure. However, a unit may adopt an ordinance to opt

22 out of this subdivision.

23 (4) Any fee assessed and collected by a unit must be

24 maintained in a special fund dedicated solely to reimbursing

25 the costs actually incurred by the unit relating to the

26 imposition and amount of the fee. Each fund shall be

27 maintained as a separate line item in the unit's budget.

28 Money in the fund may not at any time revert to the general

29 fund or any other fund of the unit.

30 SECTION 12. IC 36-7-4-201.3 IS ADDED TO THE INDIANA

31 CODE AS A NEW SECTION TO READ AS FOLLOWS

32 [EFFECTIVE JULY 1, 2026]: Sec. 201.3. (a) This section applies to

33 a unit unless the unit adopts an ordinance to opt out of this section.

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

35 (1) A structure located in a historic area or historic zoning

36 district created under:

37 (A) IC 36-7-11;

38 (B) IC 36-7-11.1;

39 (C) IC 36-7-11.2; or

40 (D) IC 36-7-11.3.

41 (2) A structure located in an area designated as a historic

42 district under state law or on the National Register of

M  
e  
r  
g  
e  
d



- 1           **Historic Places.**
- 2           **(3) A structure designated as a local, state, or national**
- 3           **historic landmark.**
- 4           **(4) A structure located on property that is covered by rules,**
- 5           **covenants, conditions, and restrictions, or other governing**
- 6           **documents (as defined in IC 32-25.5-2-3) of a homeowners**
- 7           **association.**
- 8           **(5) A structure owned or operated by a political subdivision.**
- 9           **(6) A regulation adopted as a condition for participation in**
- 10           **the National Flood Insurance Program.**
- 11           **(7) A regulation or standard established by a federal or state**
- 12           **agency as a condition for participation in a federal or state**
- 13           **housing program.**
- 14           **(8) A regulation or standard adopted under IC 22-13-2-2 by**
- 15           **the commission as part of the statewide code of fire safety**
- 16           **laws and building laws.**
- 17           **(c) Except as provided in subsection (d), as used in this section,**
- 18           **"design elements", with respect to a structure, means:**
- 19           **(1) exterior building color;**
- 20           **(2) type or style of exterior cladding material;**
- 21           **(3) style or material of roof structures, roof pitches, or**
- 22           **porches;**
- 23           **(4) exterior nonstructural architectural ornamentation;**
- 24           **(5) location, design, placement, or architectural styling of**
- 25           **windows and doors, including garage doors and garage**
- 26           **structures;**
- 27           **(6) the number and types of rooms; and**
- 28           **(7) the minimum square footage of a structure.**
- 29           **(d) For purposes of this section, "design elements" do not**
- 30           **include:**
- 31           **(1) the height, bulk, orientation, or location of a structure or**
- 32           **lot; or**
- 33           **(2) buffering or screening used to:**
- 34           **(A) minimize visual impacts;**
- 35           **(B) mitigate the impacts of light and noise; or**
- 36           **(C) protect the privacy of neighbors.**
- 37           **(e) As used in this section, "residential structure" refers to:**
- 38           **(1) a Class 1 structure with an occupancy classification of**
- 39           **Residential Group R; or**
- 40           **(2) a Class 2 structure, including an accessory dwelling unit.**
- 41           **(f) Unless a unit adopts an ordinance to opt out of this section:**
- 42           **(1) a unit may not regulate design elements of residential**

M  
e  
r  
g  
e  
d



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

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

8 SECTION 13. IC 36-7-4-1109, AS AMENDED BY P.L.223-2025,  
9 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2026]: Sec. 1109. (a) As used in this section, "applicant"  
11 means a person that applies to a local authority for a permit or  
12 approval.

13 (b) As used in this section, "development agreement" means a  
14 contract that is entered into between a person and a local authority  
15 regarding the development of property and that is executed after June  
16 30, 2025.

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

- 19 (1) Project elements including:
  - 20 (A) permitted uses;
  - 21 (B) residential densities;
  - 22 (C) nonresidential densities and intensities;
  - 23 (D) building sizes;
  - 24 (E) impact fees, inspection fees, or dedications;
  - 25 (F) mitigation measures, development conditions, and other
  - 26 requirements;
  - 27 (G) design standards;
  - 28 (H) affordable housing;
  - 29 (I) parks and open space preservation;
  - 30 (J) phasing; and
  - 31 (K) review procedures and standards for implementing
  - 32 decisions.

33 (2) Any other development requirement or procedure.

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

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

- 40 (1) a permit; or
- 41 (2) an approval:
  - 42 (A) of a land use; or

M  
e  
r  
g  
e  
d



- 1 (B) for the construction of a development, a building, or
- 2 another structure.
- 3 (f) As used in this section, "permit" means any of the following:
- 4 (1) An improvement location permit.
- 5 (2) A building permit.
- 6 (3) A certificate of occupancy.
- 7 (4) Approval of a site-specific development plan.
- 8 (5) Approval of a primary or secondary plat.
- 9 (6) Approval of a variance, contingent use, conditional use,
- 10 special exception, or special use.
- 11 (7) Approval of a planned unit development.
- 12 (g) If a person files with the appropriate local authority a complete
- 13 application for a permit, as required by the legal restrictions of a local
- 14 unit of government or a local authority, the granting of:
- 15 (1) the permit; and
- 16 (2) any secondary, additional, or related permits or approvals
- 17 required from the same local authority with respect to the
- 18 general subject matter of the application for the first permit;
- 19 are governed, for a period of at least three (3) years after the date the
- 20 person files a complete permit application, by the legal restrictions in
- 21 effect and applicable to the property at the time the complete
- 22 application is filed.
- 23 (h) Subsection (g) applies even if the legal restrictions governing
- 24 the granting of the permit or approval are changed by the general
- 25 assembly or the applicable local legislative body or regulatory body:
- 26 (1) before the issuance of the permit;
- 27 (2) while the permit approval process is pending;
- 28 (3) before the issuance of any secondary, additional, or related
- 29 permits or approvals; or
- 30 (4) while the secondary, additional, or related permit or approval
- 31 process is pending.
- 32 Subsection (g) applies regardless of whether the changes to the legal
- 33 restrictions are part of a zoning ordinance, a subdivision control
- 34 ordinance, or a statute, ordinance, or regulation that is based on the
- 35 general police powers of the local unit of government. However, after
- 36 the issuance or approval of a permit subsection (g) does not apply if the
- 37 development or other activity to which the permit relates is not
- 38 completed within ten (10) years after the development or activity is
- 39 commenced.
- 40 (i) Subsection (j) applies if:
- 41 (1) either:
- 42 (A) a local authority issues to a person a permit or grants a

M  
e  
r  
g  
e  
d



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

M  
e  
r  
g  
e  
d



1 the construction of the development, building, or structure would cause  
 2 imminent peril to life or property.

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

8 (1) reserve authority for the local authority to impose new or  
 9 different legal restrictions to the extent required by a serious  
 10 threat to public health and safety; and  
 11 (2) be consistent with applicable legal restrictions adopted by the  
 12 local authority.

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

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

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

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

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

38 (r) After December 31, 2025, this subsection does not apply to a  
 39 permit to which IC 36-7-2.5 applies. A local authority must, not later  
 40 than twelve (12) business days after a person has filed a complete  
 41 application for a permit for which approval is ministerial under  
 42 IC 36-7-4-402 or an improvement location permit issued under the 800

M  
e  
r  
g  
e  
d



1 series of this chapter and meets all conditions required under this  
2 chapter and any other statute, issue the permit to the person.

3 **(s) This subsection applies after December 31, 2026. This**  
4 **subsection applies if a unit fails to adopt or amend legal**  
5 **restrictions consistent with the contents of a new or amended**  
6 **comprehensive plan, not later than one (1) year after the date the**  
7 **new or amended comprehensive plan is adopted. If a person files**  
8 **with the appropriate local authority a complete application for a**  
9 **permit or approval, the permit or approval must be granted, if the**  
10 **project that is the subject of the application:**

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

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

16 SECTION 14. IC 36-7-4-1109.4, AS AMENDED BY  
17 P.L.223-2025, SECTION 15, IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]: Sec.  
19 1109.4. (a) This section does not apply to the issuance of:

- 20 (1) a design release or a plan review under IC 22-15;
- 21 (2) a Class 2 permit according to the timeline set forth in  
22 ~~IC 36-2-7.5~~ **IC 36-7-2.5** (after December 31, 2025); or
- 23 (3) a permit according to the timeline set forth in section 1109(r)  
24 of this chapter.

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

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

- 34 (1) cure the defects in the application; and
- 35 (2) resubmit the corrected application to the local authority;

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

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

M  
e  
r  
g  
e  
d



- 1 (1) review the application to determine if it complies with all
- 2 applicable requirements; and
- 3 (2) notify the applicant in writing whether the application is
- 4 approved or denied.

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

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

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

16 SECTION 15. IC 36-7-4-1311, AS AMENDED BY P.L.149-2016,  
17 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2026]: Sec. 1311. (a) The legislative body of a unit may adopt  
19 an ordinance imposing an impact fee on new development in the  
20 geographic area over which the unit exercises planning and zoning  
21 jurisdiction. The ordinance must aggregate the portions of the impact  
22 fee attributable to the infrastructure types covered by the ordinance so  
23 that a single and unified impact fee is imposed on each new  
24 development.

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

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

- 39 (1) a public hearing has been held before the legislative body
- 40 having planning and zoning jurisdiction; and
- 41 (2) each plan commission that has planning jurisdiction over any
- 42 part of the geographic area in which the impact fee is to be

M  
e  
r  
g  
e  
d



1 imposed has approved the proposed impact fee ordinance by  
2 resolution.

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

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

- 14 (1) section 1316.5 of this chapter; and
  - 15 (2) any other applicable provision;
- 16 **of this chapter. This subsection, in accordance with section 1109 of**  
17 **this chapter, does not affect an impact fee that was imposed and**  
18 **not collected by the unit before July 1, 2026.**

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

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

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

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

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

36 (2) Fees, charges, and assessments agreed upon under a  
37 contractual agreement entered into before April 1, 1991, or fees,  
38 charges, and assessments agreed upon under a contractual  
39 agreement, if the fees, charges, and assessments are treated as  
40 impact deductions under section 1321(d) of this chapter if an  
41 impact fee ordinance is in effect.

42 SECTION 16. IC 36-7-4-1312 IS AMENDED TO READ AS

M  
e  
r  
g  
e  
d



1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1312. (a) A unit may  
2 not adopt an impact fee ordinance under section 1311 of this series  
3 unless the unit has adopted a comprehensive plan under the 500  
4 SERIES of this chapter for the geographic area over which the unit  
5 exercises planning and zoning jurisdiction.

6 (b) Before the adoption of an impact fee ordinance under section  
7 1311 of this chapter, a unit shall establish an impact fee advisory  
8 committee. The advisory committee shall:

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

- 15 (A) a single-family builder;
- 16 (B) a multifamily builder; and
- 17 (C) a realtor;

18 **who must be selected based upon the recommendation of the**  
19 **statewide trade association representing each industry;** and  
20 (3) serve in an advisory capacity to assist and advise the unit  
21 with regard to the adoption of an impact fee ordinance under  
22 section 1311 of this chapter.

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

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

30 SECTION 17. IC 36-7-4-1316 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1316. **(a) This section**  
32 **only applies to an impact zone designated under section 1315 of**  
33 **this chapter before July 1, 2026.**

34 (b) A unit must include in an impact zone ~~designated under~~  
35 ~~section 1315 of this chapter~~ the geographical area necessary to ensure  
36 that:

- 37 (1) there is a functional relationship between the components of  
38 the infrastructure type in the impact zone;
- 39 (2) the infrastructure type provides a reasonably uniform benefit  
40 throughout the impact zone; and
- 41 (3) all areas included in the impact zone are contiguous.

42 SECTION 18. IC 36-7-4-1316.5 IS ADDED TO THE INDIANA

M  
e  
r  
g  
e  
d



1 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 1316.5. (a) This section only**  
 3 **applies to an impact zone designated under section 1315 of this**  
 4 **chapter after June 30, 2026.**

5 (b) A unit must include in an impact zone the geographical  
 6 area necessary to ensure that:

7 (1) there is a functional relationship between the components  
 8 of the infrastructure type in the impact zone;

9 (2) the infrastructure type provides a reasonably uniform  
 10 benefit throughout the impact zone;

11 (3) all areas included in the impact zone are contiguous; and

12 (4) the impact zone is:

13 (A) contiguous to the new development;

14 (B) coterminous with a:

15 (i) utility service; or

16 (ii) distribution line of a type described in section  
 17 1309(1) or 1309(5) of this chapter, that may be  
 18 necessary for the new development to interconnect  
 19 with existing utility infrastructure; or

20 (C) located not more than one (1) mile from the  
 21 infrastructure type described in section 1309(3) and  
 22 1309(4) of this chapter.

23 (c) Before a municipality may adopt an impact fee, the unit  
 24 must hold a public hearing. Not less than forty-five (45) days  
 25 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 proposed impact fee; and

30 (C) the impact zone improvement plan.

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

33 (A) a summary of the proposed impact fee;

34 (B) the web address (if any) where the information  
 35 posted under subdivision (1) is located; and (C) the  
 36 location where the public may inspect and copy the zone  
 37 improvement plan.

38 SECTION 19. IC 36-7-4.1 IS ADDED TO THE INDIANA CODE  
 39 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2026]:

41 **Chapter 4.1. Permitted Uses; Parking, Lot Size, Density, Single**  
 42 **Stair and Elevator Requirements**

M  
e  
r  
g  
e  
d

HB 1001—LS 7120/DI 87



- 1           **Sec. 1. The definitions in IC 36-7-1 and IC 36-1-2 apply**  
 2 **throughout this chapter.**
- 3           **Sec. 2. This chapter does not apply to property within:**  
 4           **(1) a historic area or historic zoning district created under:**  
 5               **(A) IC 36-7-11;**  
 6               **(B) IC 36-7-11.1;**  
 7               **(C) IC 36-7-11.2; or**  
 8               **(D) IC 36-7-11.3; or**  
 9           **(2) a flood plain (as defined in IC 14-8-2-99).**
- 10           **Sec. 3. As used in this chapter, "affordable housing" means a**  
 11 **residential dwelling unit reserved for a household whose income**  
 12 **does not exceed eighty percent (80%) of the median income for the**  
 13 **area as set out by the United States Department of Housing and**  
 14 **Urban Development.**
- 15           **Sec. 4. As used in this chapter, "heavy industrial use" means**  
 16 **a storage, processing, or manufacturing use:**  
 17           **(1) with processes using flammable or explosive materials;**  
 18           **(2) with hazardous conditions; or**  
 19           **(3) that is noxious or offensive from odors, smoke, noise,**  
 20 **fumes, or vibrations.**
- 21           **Sec. 5. As used in this chapter, "mixed use residential" means**  
 22 **a development project that provides within a shared building or**  
 23 **development area:**  
 24           **(1) residential uses, including multiple dwelling units; and**  
 25           **(2) nonresidential uses that:**  
 26               **(A) comprise less than fifty percent (50%) of the total**  
 27               **square footage of the development; and**  
 28               **(B) are restricted to the first floor of any building**  
 29               **consisting of at least two (2) stories.**
- 30           **Sec. 6. As used in this chapter, "multi-family residential"**  
 31 **means a building designed to contain at least five (5) dwelling units**  
 32 **that:**  
 33           **(1) are separated from each other by ceilings or walls;**  
 34           **(2) may not have interior doors through which access can be**  
 35           **made to other dwelling units; and**  
 36           **(3) may be accessible to each other through a common**  
 37           **hallway.**
- 38           **The term includes apartments and condominiums. The term does**  
 39 **not include a hotel, motel, or other transient lodging.**
- 40           **Sec. 7. As used in this chapter, "permitted use" means a use**  
 41 **that is approved by a unit in a zoning district without the**  
 42 **requirement of:**

M  
e  
r  
g  
e  
d

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

7 Sec. 8. As used in this chapter, "religious institution" means a  
 8 bona fide church, religious denomination, or religious organization  
 9 that is exempt from federal income taxation under Section  
 10 501(c)(3) of the Internal Revenue Code.

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

- 13 (1) A single family dwelling or duplex within an area zoned
- 14 for residential use, under section 10 of this chapter.
- 15 (2) At least one (1) accessory dwelling unit on a lot or parcel
- 16 containing a single family dwelling under section 11 of this
- 17 chapter.
- 18 (3) Affordable housing on property owned by a religious
- 19 institution in an area zoned for residential or commercial use
- 20 under section 12 of this chapter.
- 21 (4) A mixed use residential or multi-family residential
- 22 development in an area zoned for commercial use under
- 23 section 18 of this chapter.

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

27 Sec. 10. (a) If zoned for residential use, any one (1) of the  
 28 following is a permitted use on each lot or parcel:

- 29 (1) At least two (2) single family dwellings.
- 30 (2) At least one (1) duplex.

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

33 (c) This subsection applies to a dwelling that is connected to  
 34 water and sewer service. Except for a dwelling under section 14 or  
 35 15 of this chapter, a unit may not require:

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

41 (d) An accessory dwelling unit may be prohibited on a lot or  
 42 parcel unless the lot or parcel contains a single family dwelling as

M  
e  
r  
g  
e  
d



1 provided in section 11 of this chapter.

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

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

5 (2) combined minimum front and rear setbacks in excess of  
6 fifteen (15) feet;

7 (3) any floor area ratio requirement on a development that  
8 otherwise complies with lot coverage and height  
9 requirements; or

10 (4) maximum lot or parcel coverage requirements of less  
11 than eighty percent (80%), except as:

12 (A) required by the design of the municipality's storm  
13 water system; or

14 (B) otherwise provided in state or federal law or rule.

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

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

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

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

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

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

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

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

34 (1) setbacks;

35 (2) size; or

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

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

HB 1001—LS 7120/DI 87



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
e  
r  
g  
e  
d

1           **Sec. 12. Residential affordable housing is a permitted use in an**  
2 **area zoned for residential or commercial use if:**

- 3           **(1) a religious institution is the developer of the property or**
- 4 **a developer working on behalf of a religious institution;**
- 5           **(2) the development is located on property owned by the**
- 6 **religious institution and purchased before January 1, 2025;**
- 7           **(3) the development has been approved by the legislative**
- 8 **body of the unit with jurisdiction over the property where**
- 9 **the development is to be located;**
- 10           **(4) the development exclusively contains affordable housing;**
- 11 **and**
- 12           **(5) the developer has obtained all other permits including**
- 13 **building permits required by law.**

14           **Sec. 13. A unit may not do any of the following with regard to**  
15 **a single family dwelling or duplex:**

- 16           **(1) Require a lot or parcel to have:**
- 17               **(A) additional parking to accommodate an accessory**
- 18 **dwelling unit; or**
- 19               **(B) parking spaces:**
- 20                   **(i) in excess of those allowed under section 18 of this**
- 21 **chapter; and**
- 22                   **(ii) within a garage or other enclosed or covered**
- 23 **area.**
- 24           **(2) Require an application fee that:**
- 25               **(A) exceeds a fee charged for a single family dwelling; or**
- 26 **(B) violates IC 36-7-2.3.**
- 27           **(3) Require the property owner, in the case of a single family**
- 28 **dwelling with an accessory dwelling unit, to occupy the single**
- 29 **family dwelling or the accessory dwelling unit.**
- 30           **(4) Require a familial, marital, or employment relationship**
- 31 **between the occupants of a single family dwelling and the**
- 32 **occupants of the accessory dwelling unit.**
- 33           **(5) Require improvements to public streets as a condition of**
- 34 **permitting, except as necessary to reconstruct or repair a**
- 35 **public street that is disturbed as a result of the construction**
- 36 **of the single family dwelling or duplex.**

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

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

M  
e  
r  
g  
e  
d



1 (c) Unless a municipality adopts an ordinance to opt out of this  
2 section, the municipality may not adopt or enforce an ordinance  
3 that requires a lot or parcel:

4 (1) to exceed:

- 5 (A) one thousand four hundred (1,400) square feet;
- 6 (B) twenty (20) feet in width; or
- 7 (C) sixty (60) feet in depth;

8 in size; or

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

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

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

15 (c) In addition to the other requirements of this section, unless  
16 a municipality adopts an ordinance to opt out of this section, the  
17 following apply:

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

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

- 21 (i) front or back of the property; or
- 22 (ii) side of the property.

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

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

28 (D) A maximum building bulk.

29 (E) Any other requirement that imposes restrictions  
30 inconsistent with this section, including restrictions  
31 imposed through contiguous zoning districts or uses or  
32 an overlapping zoning district.

33 (2) A municipality may:

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

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

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

M  
e  
r  
g  
e  
d



- 1           **(1) A zoning classification that allows heavy industrial use.**
- 2           **(2) Land that is located:**
- 3               **(A) not more than one thousand (1,000) feet from an**
- 4               **existing heavy industrial use or development site; or**
- 5               **(B) not more than three thousand (3,000) feet from an**
- 6               **airport or military base.**
- 7           **(3) An area designated by a unit as a clear zone under:**
- 8               **(A) standards adopted by the Indiana department of**
- 9               **transportation; or**
- 10              **(B) air installations compatible use zones standards**
- 11              **established by the United States Department of War.**
- 12           **(c) Unless a unit adopts an ordinance to opt out of this section,**
- 13           **a mixed use residential or multi-family residential development is**
- 14           **a permitted use within any area zoned for commercial use that**
- 15           **allows office, commercial, retail, warehouse, or mixed use**
- 16           **development.**
- 17           **(d) Unless a unit adopts an ordinance to opt out of this section,**
- 18           **a unit may not adopt or enforce a restriction on a mixed use**
- 19           **residential or multi-family residential development that is a**
- 20           **permitted use under this chapter that does any of the following:**
- 21              **(1) Imposes:**
- 22                  **(A) a limit on density that is more restrictive than the**
- 23                  **greater of:**
- 24                      **(i) the highest residential density allowed in the**
- 25                      **unit; or**
- 26                      **(ii) thirty-six (36) units per acre;**
- 27                  **(B) a limit on building height that is more restrictive**
- 28                  **than the greater of:**
- 29                      **(i) the highest height that would apply to an office,**
- 30                      **commercial, retail, or warehouse development**
- 31                      **constructed on the site; or**
- 32                      **(ii) sixty (60) feet; or**
- 33                  **(C) a setback or buffer requirement that is more**
- 34                  **restrictive than the lesser of:**
- 35                      **(i) a setback or buffer requirement that would**
- 36                      **apply to an office, commercial, retail, or warehouse**
- 37                      **development constructed on the site; or**
- 38                      **(ii) twenty-five (25) feet.**
- 39              **(2) Requires a multi-level parking structure. A mixed use**
- 40              **residential or multi-family residential development is subject**
- 41              **to the parking requirements in this chapter.**
- 42              **(3) Restricts the ratio of the total building floor area of a**

M  
e  
r  
g  
e  
d



1 mixed use residential or multi-family residential  
2 development in relation to the lot area of the development.

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

6 (e) A unit may require:

7 (1) a will-serve letter; and

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

9 Sec. 17. (a) This section applies only to the conversion of a  
10 building from nonresidential occupancy use to mixed use  
11 residential or multi-family residential use.

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

19 (c) If:

20 (1) the building was constructed at least five (5) years before  
21 the proposed date of the conversion; and

22 (2) the conversion involves:

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

24 (B) each floor of the building that is fit for residential  
25 occupancy;

26 the unit may not impose the requirements in subsection (d).

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

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

31 (2) Construction of improvements or payment of a fee to  
32 mitigate traffic effects related to the proposed converted  
33 building.

34 (3) Any additional parking spaces.

35 (4) Extension, upgrade, replacement, or oversizing of a utility  
36 facility except as necessary to provide the minimum capacity  
37 required for the proposed converted building.

38 (5) A design requirement:

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

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

42 Sec. 18. (a) This section does not apply to a unit that opts out

M  
e  
r  
g  
e  
d



- 1 of this section by adopting an ordinance.
- 2 (b) Unless a unit adopts an ordinance to opt out of this section,
- 3 this section applies to an application submitted to a local authority
- 4 after December 31, 2028, for:
  - 5 (1) a permit; or
  - 6 (2) an approval:
    - 7 (A) of a land use; or
    - 8 (B) for the construction of a development, a building, or
    - 9 another structure.
- 10 (c) This section does not apply to the following:
  - 11 (1) Any part of a unit located not more than one (1) mile
  - 12 from a commercial airport that has at least nine million
  - 13 (9,000,000) annual enplanements.
  - 14 (2) Parking for a religious institution.
  - 15 (3) An accessory dwelling unit under section 11 of this
  - 16 chapter.
  - 17 (4) Parking requirements for carpools.
  - 18 (5) Temporary or time-restricted parking.
  - 19 (6) The minimum number of parking spaces required to
  - 20 comply with the Americans with Disabilities Act (42 U.S.C.
  - 21 12101 et seq.) that are permanently marked for the exclusive
  - 22 use of individuals with disabilities.
- 23 (d) As used in this section, "local authority" has the meaning
- 24 set forth in IC 36-7-4-1109.
- 25 (e) A unit may require not more than:
  - 26 (1) one (1) parking space for each multi-family residence;
  - 27 (2) one (1) parking space for each single family home; or
  - 28 (3) two (2) parking spaces for each one thousand (1,000)
  - 29 square feet of commercial space.
- 30 (f) Unless a unit adopts an ordinance to opt out of this section,
- 31 a unit may not establish any minimum parking space requirements
- 32 for the following:
  - 33 (1) A dwelling that is not more than one thousand two
  - 34 hundred (1,200) square feet.
  - 35 (2) A commercial space that is less than three thousand
  - 36 (3,000) square feet.
  - 37 (3) Affordable housing.
  - 38 (4) A senior housing property.
  - 39 (5) A child care center licensed under IC 12-17.2-4.
  - 40 (6) A ground level nonresidential space in a mixed use
  - 41 building.
  - 42 (7) A building, including a vacant building, undergoing a

M  
e  
r  
g  
e  
d



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

**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,**

M  
e  
r  
g  
e  
d



1 imposing fines, penalties, or requiring project modifications  
2 to bring a development into compliance; or  
3 (6) affects a restrictive covenant or regulation of a  
4 condominium association or homeowners' association.

5 Sec. 21. A zoning ordinance adopted before July 1, 2026, is  
6 void to the extent the ordinance conflicts with this chapter.  
7 However, this chapter does not apply to or affect any application  
8 for a permit under IC 36-7-4 submitted to a unit before July 1,  
9 2026.

10 Sec. 22. A person adversely affected or aggrieved by a  
11 violation of this section may bring an action against the unit for:  
12 (1) declaratory and injunctive relief; and  
13 (2) costs and reasonable attorney's fees.

14 SECTION 20. IC 36-7-18-16 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) A housing  
16 authority may:

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

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

- 24 (1) ~~two~~ **four** thousand dollars (~~\$2,000~~) (**\$4,000**) per room;
- 25 (2) ~~ten~~ **fifteen** thousand dollars (~~\$10,000~~) (**\$15,000**) per room,  
26 if the accommodations are designed specifically for persons of  
27 low income who:
  - 28 (A) have attained the age at which they may elect to receive  
29 old age benefits under Title 2 of the Social Security Act (42  
30 U.S.C. 401-433); or
  - 31 (B) are under disability (as defined in Section 223 of that  
32 Act (42 U.S.C. 423)); or

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

35 (c) Notwithstanding subsection (b), if the housing authority finds  
36 that:

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

41 it may exceed the cost limitation that would otherwise be applicable  
42 under subsection (b) by not more than ~~seven hundred fifty dollars~~

M  
e  
r  
g  
e  
d



1     ~~(\$750) per room: an amount necessary to make the project~~  
2     **financially feasible.**

3             SECTION 21. IC 36-7-18-31, AS AMENDED BY P.L.230-2025,  
4     SECTION 144, IS AMENDED TO READ AS FOLLOWS  
5     [EFFECTIVE JULY 1, 2026]: Sec. 31. (a) Issues of bonds, notes, or  
6     warrants of a housing authority must be approved by the fiscal body of  
7     the unit after a public hearing, with notice of the time, place, and  
8     purpose of the hearing given by publication in accordance with  
9     IC 5-3-1. The bonds, notes, or warrants must then be authorized by  
10    resolution of the authority.

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

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

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

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

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

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

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

39            (f) In any proceedings involving the validity or enforceability of  
40    any bond, note, or warrant of a housing authority or of its security, if  
41    the instrument states that it has been issued by the authority to aid in  
42    financing a housing project to provide dwelling accommodations for

M  
e  
r  
g  
e  
d



1 persons of low income, it shall be conclusively presumed to have been  
2 issued for that purpose and the project shall be conclusively presumed  
3 to have been planned, located, and constructed in accordance with this  
4 chapter.

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

8 SECTION 22. **An emergency is declared for this act.**

M  
e  
r  
g  
e  
d

