
HOUSE BILL No. 1001

AM100108 has been incorporated into January 23, 2026 printing.

Synopsis: Housing matters.

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HB 1001—LS 7120/DI 87



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.

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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 **local unit exercising planning and zoning powers under IC 36-7-4.**
5 **(b) As used in this section, "local unit" means a county, city,**
6 **or town.**
7 **(c) Beginning January 1, 2027, and January 1 of each year**
8 **thereafter, a local unit shall submit a housing progress report to:**
9 **(1) the authority; and**
10 **(2) the executive director of the legislative services agency, in**
11 **an electronic format under IC 5-14-6.**
12 **(d) The housing progress report must provide the following**
13 **information for the immediately preceding year:**
14 **(1) The total number of proposed residential housing units**
15 **submitted to the local unit.**

HB 1001—LS 7120/DI 87



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- 1 **(2) The total number of proposed residential housing units**
- 2 **that were approved by the local unit.**
- 3 **(3) The total number of proposed residential units that were**
- 4 **denied by the local unit.**
- 5 **(4) The total number of net new residential housing units**
- 6 **submitted to the local unit. The total number of net new**
- 7 **residential housing units is determined by subtracting the**
- 8 **number of residential housing units that the local unit lost in**
- 9 **the immediately preceding year through:**
 - 10 **(A) demolition;**
 - 11 **(B) conversion to non-residential use; or**
 - 12 **(C) combining units;**
- 13 **from the total number of proposed residential units**
- 14 **submitted to the local unit under subdivision (1).**
- 15 **(5) The total number of new residential housing units that:**
 - 16 **(A) are entitled;**
 - 17 **(B) have been platted;**
 - 18 **(C) have been issued a building permit; and**
 - 19 **(D) have received a certificate of occupancy or**
 - 20 **completion and compliance by the local unit.**
- 21 **(6) The calendar days spent by the local unit in processing**
- 22 **housing proposal applications.**
- 23 **(e) If the number of proposed residential housing units**
- 24 **reported under subsection (d)(1) does not equal the sum of the**
- 25 **number of proposed residential housing units reported under**
- 26 **subsection (d)(2) and (d)(3), information must be provided to**
- 27 **explain the discrepancy.**
- 28 **SECTION 2. IC 5-20-1-29 IS ADDED TO THE INDIANA CODE**
- 29 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
- 30 **1, 2026]: Sec. 29. (a) As used in this section, "local unit" means a**
- 31 **county, city, or town.**
- 32 **(b) Beginning January 1, 2027, and January 1 of each year**
- 33 **thereafter, a local unit shall report the following information to the**
- 34 **authority and the executive director of the legislative services**
- 35 **agency, in an electronic format under IC 5-14-6, regarding the**
- 36 **status of housing in the local unit for the prior calendar year:**
 - 37 **(1) The average and median home sale prices and the year**
 - 38 **over year change.**
 - 39 **(2) The median rent prices and year over year change.**
 - 40 **(3) The number of residential dwelling units constructed and**
 - 41 **occupied in total and by type.**
 - 42 **(4) The percentage of new residential dwelling units**

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- 1 constructed that are listed at each of the following:
- 2 (A) Eighty percent (80%) or less of the local unit's
- 3 median income.
- 4 (B) Eighty-one percent (81%) to one hundred nineteen
- 5 percent (119%) of the local unit's median income.
- 6 (C) One hundred twenty percent (120%) or more of the
- 7 local unit's median income.
- 8 (5) Any provisions under IC 36-7-4-201.3, IC 36-7-4.1, or
- 9 IC 36-7-4.2 that the local unit opted out of by ordinance,
- 10 including the following:
- 11 (A) The date the local unit enacted the ordinance.
- 12 (B) The geographic scope of the opt out.
- 13 (C) The local unit's justification for opting out of the
- 14 statutory requirement.
- 15 (c) A local unit shall use applicable data and information from
- 16 the 2025 calendar year as a reference point for the information
- 17 required for the January 1, 2027, report under subsection (b).
- 18 (d) The authority must compile and publish on the authority's
- 19 website an annual report of the information reported by local units
- 20 under subsection (b) that includes at least the following:
- 21 (1) Regional comparisons of the information provided under
- 22 subsection (b).
- 23 (2) An evaluation of the outcomes of housing legislation
- 24 enacted during the 2026 legislative session.
- 25 SECTION 3. IC 13-14-1-19 IS ADDED TO THE INDIANA
- 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 27 [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) Not later than December
- 28 1, 2026, the department shall do the following:
- 29 (1) Conduct a review of the Indiana Storm Water Quality
- 30 Manual to determine whether:
- 31 (A) the recommendations in the Indiana Storm Water
- 32 Quality Manual are cost effective; and
- 33 (B) any new or revised recommendations are necessary.
- 34 (2) Submit a report of its findings and recommendations
- 35 under subdivision (1) to the legislative council in an
- 36 electronic format under IC 5-14-6.
- 37 (b) The Indiana Storm Water Quality Manual with respect to
- 38 storm water management basins:
- 39 (1) may not require a pond bank ratio greater than three (3)
- 40 to one (1); and
- 41 (2) must require a ten (10) foot maintenance ledge or a ten
- 42 (10) foot safety ledge, but may not require both.

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

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

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

- 13 (1) county;
- 14 (2) city;
- 15 (3) town; or
- 16 (4) township;

17 located in Indiana.

18 SECTION 6. IC 14-28-1-41 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2026]: **Sec. 41. (a) As used in this section,**
21 **"mitigation" includes artificial storage used to balance the loss of**
22 **natural flood storage capacity as a result of placing fill material**
23 **within a flood plain.**

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

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

- 35 (1) The commission.
- 36 (2) Another state agency.

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

42 **(c) A ordinance or other regulation adopted before July 1,**

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1 **2026, is void to the extent the ordinance or regulation conflicts with**
 2 **this section.**

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

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

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

12 **after June 30, 2026.**

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

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

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

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

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

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

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

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

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

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

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

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

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HB 1001—LS 7120/DI 87



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1 (A) approved by signature of a majority of the county
 2 executive (in the case of a county subject to IC 36-2-3.5);
 3 (B) neither approved nor vetoed by a majority of the
 4 executive (in the case of a county subject to IC 36-2-3.5)
 5 within ten (10) days after passage by the legislative body;
 6 or
 7 (C) passed over the veto of the executive by a two-thirds
 8 (2/3) vote of the legislative body, within sixty (60) days
 9 after presentation of the ordinance or resolution to the
 10 executive.

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

13 (A) subject to subdivision ~~(3)~~; (2), give written notice to the
 14 department of environmental management not later than
 15 sixty (60) days before amendment or repeal of an
 16 environmental restrictive ordinance; and
 17 (B) give written notice to the department of environmental
 18 management not later than thirty (30) days after passage,
 19 amendment, or repeal of an environmental restrictive
 20 ordinance.

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

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

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

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

34 (1) approve the ordinance or resolution, by signature of a
 35 majority of the executive (in the case of a county subject to
 36 IC 36-2-3.5), and send the legislative body a message
 37 announcing its approval; or
 38 (2) veto the ordinance or resolution, by returning it to the
 39 legislative body with a message announcing its veto and stating
 40 its reasons for the veto.

41 ~~(e)~~ (d) This section (other than subsection ~~(e)(2)~~ (c)(1)) does not
 42 apply to a zoning ordinance or amendment to a zoning ordinance, or a

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1 resolution approving a comprehensive plan, that is adopted under
2 IC 36-7.

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

5 (1) be published:

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

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

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

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

18 (1) approved by the department; and

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

21 SECTION 10. IC 36-4-6-14, AS AMENDED BY P.L.159-2011,
22 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 14. (a) An ordinance, order, or resolution passed
24 by the legislative body is considered adopted when it is:

25 (1) signed by the presiding officer; and

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

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

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

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

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

40 (c) Except as provided in subsection (e), if a city publishes any of
41 its ordinances in book or pamphlet form, no other publication is
42 required. If an ordinance prescribing a penalty or forfeiture for a

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HB 1001—LS 7120/DI 87



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1 violation is published under this subsection, it takes effect two (2)
 2 weeks after the publication of the book or pamphlet. Publication under
 3 this subsection, if authorized by the legislative body, constitutes
 4 presumptive evidence:

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

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

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

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

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

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

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

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

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

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

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HB 1001—LS 7120/DI 87



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

4 SECTION 11. IC 36-5-2-10, AS AMENDED BY P.L.105-2013,
 5 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 10. (a) An ordinance, order, or resolution passed
 7 by the legislative body is considered adopted when it is signed by the
 8 executive. If required by statute, an adopted ordinance, order, or
 9 resolution must be promulgated or published before it takes effect.

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

- 13 (1) it is published under subsection (c); or
 14 (2) it declares an emergency requiring its immediate
 15 effectiveness and is posted in:
 16 (A) one (1) public place in each district in the town; or
 17 (B) a number of public places in the town equal to the
 18 number of town legislative body members, if the town has
 19 abolished legislative body districts under section 4.1 of this
 20 chapter.

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

- 28 (1) of the ordinances in the book or pamphlet;
 29 (2) of the date of adoption of the ordinances; and
 30 (3) that the ordinances have been properly signed, attested,
 31 recorded, and approved.

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

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

- 37 (1) be published:
 38 (A) one (1) time in accordance with IC 5-3-1; and
 39 (B) not later than thirty (30) days after the ordinance is
 40 adopted by the legislative body in accordance with IC 5-3-1;
 41 and
 42 (2) delay the implementation of the fee increase for ~~ninety (90)~~

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HB 1001—LS 7120/DI 87



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1 **one hundred eighty (180)** days after the date the ordinance is
2 published under subdivision (1).
3 (f) Subject to subsection (j), the legislative body shall:
4 (1) subject to subsection (g), give written notice to the
5 department of environmental management not later than sixty
6 (60) days before amendment or repeal of an environmental
7 restrictive ordinance; and
8 (2) give written notice to the department of environmental
9 management not later than thirty (30) days after passage,
10 amendment, or repeal of an environmental restrictive ordinance.
11 (g) Upon written request by the legislative body, the department
12 of environmental management may waive the notice requirement of
13 subsection (f)(1).
14 (h) An environmental restrictive ordinance passed or amended
15 after 2009 by the legislative body must state the notice requirements of
16 subsection (f).
17 (i) The failure of an environmental restrictive ordinance to comply
18 with subsection (h) does not void the ordinance.
19 (j) The notice requirements of subsection (f) apply only if the
20 municipal corporation received under IC 13-25-5-8.5(f) written notice
21 that the department is relying on the environmental restrictive
22 ordinance referred to in subsection (f) as part of a risk based
23 remediation proposal:
24 (1) approved by the department; and
25 (2) conducted under IC 13-22, IC 13-23, IC 13-24, IC 13-25-4,
26 or IC 13-25-5.
27 SECTION 12. IC 36-7-1-1.5 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2026]: **Sec. 1.5. "Accessory dwelling unit"**
30 **means a self-contained living unit internal to or on the same lot or**
31 **parcel as a single family dwelling that:**
32 **(1) does not exceed the lesser of:**
33 **(A) seventy-five percent (75%) of the interior habitable**
34 **area (gross floor area) of the single family dwelling; or**
35 **(B) one thousand (1,000) square feet;**
36 **(2) includes its own cooking, sleeping, and sanitation**
37 **facilities; and**
38 **(3) complies with or is otherwise exempt from any applicable**
39 **building codes, fire safety codes, and other public health and**
40 **safety laws.**
41 **The term does not include a manufactured home (as defined in**
42 **IC 36-7-4-1106(b)) that is subject to the standards and**

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HB 1001—LS 7120/DI 87



1 **requirements set forth in IC 36-7-4-1106.**
 2 SECTION 13. IC 36-7-1-4.5 IS ADDED TO THE INDIANA
 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2026]: **Sec. 4.5. As used in this chapter,**
 5 **"Class 1 structure" has the meaning set forth in IC 22-12-1-4.**
 6 SECTION 14. IC 36-7-1-4.7 IS ADDED TO THE INDIANA
 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2026]: **Sec. 4.7. As used in this chapter,**
 9 **"Class 2 structure" has the meaning set forth in IC 22-12-1-5.**
 10 SECTION 15. IC 36-7-1-6.8 IS ADDED TO THE INDIANA
 11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2026]: **Sec. 6.8. "Homeowners association"**
 13 **has the meaning set forth in IC 32-25.5-2-4.**
 14 SECTION 16. IC 36-7-1-21.8 IS ADDED TO THE INDIANA
 15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2026]: **Sec. 21.8. "Will-serve letter" means**
 17 **a written document:**
 18 (1) **issued by a water and sewer service provider to an owner**
 19 **or developer of a project or dwelling; and**
 20 (2) **that states the provider is able and willing to provide**
 21 **water and sewer service to the project or dwelling subject to**
 22 **the conditions, if any, set forth in the document.**
 23 SECTION 17. IC 36-7-2.3 IS ADDED TO THE INDIANA CODE
 24 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2026]:
 26 **Chapter 2.3. Limits on Building and Construction Related**
 27 **Fees**
 28 **Sec. 1. This chapter applies to a fee imposed by a unit for**
 29 **approval of an application related to:**
 30 (1) **construction or reconstruction of:**
 31 (A) **residential buildings;**
 32 (B) **commercial buildings;**
 33 (C) **industrial buildings;**
 34 (D) **any other building or building space; or**
 35 (E) **an appurtenance to a building described in clauses**
 36 **(A) through (D); or**
 37 (2) **zoning, development, subdivision, classification, or**
 38 **reclassification of land;**
 39 **including a fee designated as a permit fee (including a fee for a**
 40 **permit under IC 36-7-4-1109(f)), application fee, inspection fee,**
 41 **processing fee, or by another name.**
 42 **Sec. 2. As used in this chapter, "applicant" means a person**

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1 who submits an application that requires a fee described in section
2 1 of this chapter.

3 Sec. 3. After December 31, 2026:

4 (1) Unless otherwise provided by law and subject to
5 subdivisions (2) and (3), a unit may not assess a fee in an
6 amount that is more than is reasonably necessary to cover
7 the applicable cost to the unit to:

- 8 (A) process an application;
- 9 (B) inspect and review an applicant's plans; or
- 10 (C) prepare detailed statements for an applicant.

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

- 14 (A) once every five (5) years; and
- 15 (B) by an amount not to exceed the combined annual
16 percentage change in the Consumer Price Index for all
17 Urban Consumers, as published by the United States
18 Bureau of Labor Statistics, for the preceding five (5)
19 years.

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

24 (3) The total combined applicable fees for a particular Class
25 1 or Class 2 structure may not exceed two percent (2%) of
26 the construction costs of the applicable Class 1 or Class 2
27 structure. However, a unit may adopt an ordinance to opt
28 out of this subdivision.

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

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

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

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1 to the unit.

2 (b) This section does not apply if a unit fails to meet a deadline
3 set forth in this chapter as a result of a delay described in section
4 23 of this chapter.

5 SECTION 19. IC 36-7-4-201.3 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2026]: Sec. 201.3. (a) This section applies to
8 a unit unless the unit adopts an ordinance to opt out of this section,
9 not later than December 31, 2026.

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

11 (1) A structure located in a historic area or historic zoning
12 district created under:

- 13 (A) IC 36-7-11;
14 (B) IC 36-7-11.1;
15 (C) IC 36-7-11.2; or
16 (D) IC 36-7-11.3.

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

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

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

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

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

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

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

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

- 37 (1) exterior building color;
38 (2) type or style of exterior cladding material;
39 (3) style or material of roof structures, roof pitches, or
40 porches;
41 (4) exterior nonstructural architectural ornamentation;
42 (5) location, design, placement, or architectural styling of

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- 1 windows and doors, including garage doors and garage
- 2 structures;
- 3 (6) the number and types of rooms; and
- 4 (7) the minimum square footage of a structure.
- 5 (d) For purposes of this section, "design elements" do not
- 6 include:
- 7 (1) the height, bulk, orientation, or location of a structure or
- 8 lot; or
- 9 (2) buffering or screening used to:
- 10 (A) minimize visual impacts;
- 11 (B) mitigate the impacts of light and noise; or
- 12 (C) protect the privacy of neighbors.
- 13 (e) As used in this section, "residential structure" refers to:
- 14 (1) a Class 1 structure with an occupancy classification of
- 15 Residential Group R; or
- 16 (2) a Class 2 structure, including an accessory dwelling unit.
- 17 (f) Unless a unit adopts an ordinance to opt out of this section,
- 18 not later than December 31, 2026:
- 19 (1) a unit may not regulate design elements of residential
- 20 structures; and
- 21 (2) any rule, ordinance, or other regulation of the unit that
- 22 conflicts with this section is void.
- 23 (g) A person aggrieved by an action in violation of this section
- 24 by a unit that has not opted out of this section, may file, in a circuit
- 25 or superior court having jurisdiction, a petition to obtain an
- 26 injunction against a violation of this section by a unit.
- 27 SECTION 20. IC 36-7-4-701.5 IS ADDED TO THE INDIANA
- 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 29 [EFFECTIVE JULY 1, 2026]: Sec. 701.5. (a) A legislative body may
- 30 not adopt a subdivision control ordinance, including an ordinance
- 31 for sliding scale subdivision, that allows an owner of property to
- 32 restrict any subdivision of all or a part of the owner's property for
- 33 a period of years by:
- 34 (1) recording the subdivision restriction on the final plat and
- 35 incorporating the restriction as a recorded commitment on
- 36 any deed that conveys the parcel; or
- 37 (2) any other method.
- 38 (b) This section does not affect any property to which section
- 39 1109 of this chapter applies, for which a complete application for
- 40 approval of a primary or secondary plat was filed before July 1,
- 41 2026.
- 42 SECTION 21. IC 36-7-4-1109, AS AMENDED BY P.L.223-2025,

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- 1 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2026]: Sec. 1109. (a) As used in this section, "applicant"
 3 means a person that applies to a local authority for a permit or
 4 approval.
 5 (b) As used in this section, "development agreement" means a
 6 contract that is entered into between a person and a local authority
 7 regarding the development of property and that is executed after June
 8 30, 2025.
 9 (c) As used in this section, "development standards" includes the
 10 following:
 11 (1) Project elements including:
 12 (A) permitted uses;
 13 (B) residential densities;
 14 (C) nonresidential densities and intensities;
 15 (D) building sizes;
 16 (E) impact fees, inspection fees, or dedications;
 17 (F) mitigation measures, development conditions, and other
 18 requirements;
 19 (G) design standards;
 20 (H) affordable housing;
 21 (I) parks and open space preservation;
 22 (J) phasing; and
 23 (K) review procedures and standards for implementing
 24 decisions.
 25 (2) Any other development requirement or procedure.
 26 (d) As used in this section, "legal restrictions" means statutes,
 27 ordinances, rules, development standards, policies, and regulations.
 28 The term does not include building codes under IC 22-13.
 29 (e) As used in this section, "local authority" includes any agency,
 30 officer, board, or commission of a local unit of government that may
 31 issue:
 32 (1) a permit; or
 33 (2) an approval:
 34 (A) of a land use; or
 35 (B) for the construction of a development, a building, or
 36 another structure.
 37 (f) As used in this section, "permit" means any of the following:
 38 (1) An improvement location permit.
 39 (2) A building permit.
 40 (3) A certificate of occupancy.
 41 (4) Approval of a site-specific development plan.
 42 (5) Approval of a primary or secondary plat.

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

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

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

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

12 (2) the person's right to construct the development, building, or
13 structure without a permit or approval from the local authority;
14 is governed, for a period of at least three (3) years after the person
15 applies to the state governmental agency for the permit, by the legal
16 restrictions in effect and applicable to the property when the person
17 applies for the permit or requests approval from the state governmental
18 agency for the construction of the development, building, or structure.

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

23 (1) before the commencement of the construction; or
24 (2) while the permit application or approval request is pending
25 with the state governmental agency.

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

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

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

42 (1) reserve authority for the local authority to impose new or

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1 different legal restrictions to the extent required by a serious
2 threat to public health and safety; and
3 (2) be consistent with applicable legal restrictions adopted by the
4 local authority.

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

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

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

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

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

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

37 (s) **This subsection applies after December 31, 2026. This**
38 **subsection applies if a unit fails to adopt or amend legal**
39 **restrictions consistent with the contents of a new or amended**
40 **comprehensive plan, not later than one (1) year after the date the**
41 **new or amended comprehensive plan is adopted. If a person files**
42 **with the appropriate local authority a complete application for a**

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1 **permit or approval, the permit or approval must be granted, if the**
2 **project that is the subject of the application:**

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

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

8 SECTION 22. IC 36-7-4-1109.4, AS AMENDED BY
9 P.L.223-2025, SECTION 15, IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]: Sec.

11 1109.4. (a) This section does not apply to the issuance of:

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

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

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

- 26 (1) cure the defects in the application; and
 - 27 (2) resubmit the corrected application to the local authority;
- 28 not later than thirty (30) days after receiving the notice. If an applicant
29 is unable to cure the defects within the thirty (30) day period, the
30 applicant shall notify the local authority of the additional time the
31 applicant requires to cure the defects.

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

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

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

41 (e) If an applicant requested additional time under subsection (c)
42 to cure defects in the application, the ninety (90) day period set forth

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1 in subsection (d) is extended for a corresponding amount of time.

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

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

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

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

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

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

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

HB 1001—LS 7120/DI 87



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

- 6 (1) section 1316.5 of this chapter; and
 - 7 (2) any other applicable provision;
- 8 of this chapter. This subsection, in accordance with section 1109 of
9 this chapter, does not affect an impact fee that was imposed and
10 not collected by the unit before July 1, 2026.

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

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

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

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

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

28 (2) Fees, charges, and assessments agreed upon under a
29 contractual agreement entered into before April 1, 1991, or fees,
30 charges, and assessments agreed upon under a contractual
31 agreement, if the fees, charges, and assessments are treated as
32 impact deductions under section 1321(d) of this chapter if an
33 impact fee ordinance is in effect.

34 SECTION 24. IC 36-7-4-1312 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1312. (a) A unit may
36 not adopt an impact fee ordinance under section 1311 of this series
37 unless the unit has adopted a comprehensive plan under the 500
38 SERIES of this chapter for the geographic area over which the unit
39 exercises planning and zoning jurisdiction.

40 (b) Before the adoption of an impact fee ordinance under section
41 1311 of this chapter, a unit shall establish an impact fee advisory
42 committee. The advisory committee shall:

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HB 1001—LS 7120/DI 87



- 1 (1) be appointed by the executive of the unit;
- 2 (2) be composed of not less than five (5) and not more than ten
- 3 (10) members with at least forty percent (40%) of the
- 4 membership representing the development, building, or real
- 5 estate industries, **including community members**
- 6 **representing:**
- 7 (A) a single-family builder;
- 8 (B) a multifamily builder; and
- 9 (C) a realtor;
- 10 **who must be selected based upon the recommendation of the**
- 11 **statewide trade association representing each industry;** and
- 12 (3) serve in an advisory capacity to assist and advise the unit
- 13 with regard to the adoption of an impact fee ordinance under
- 14 section 1311 of this chapter.
- 15 (c) A planning commission or other committee in existence before
- 16 the adoption of an impact fee ordinance that meets the membership
- 17 requirements of subsection (b) may serve as the advisory committee
- 18 that subsection (b) requires.
- 19 (d) Action of an advisory committee established under subsection
- 20 (b) is not required as a prerequisite for the unit in adopting an impact
- 21 fee ordinance under section 1311 of this chapter.
- 22 SECTION 25. IC 36-7-4-1316 IS AMENDED TO READ AS
- 23 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1316. **(a) This section**
- 24 **only applies to an impact zone designated under section 1315 of**
- 25 **this chapter before July 1, 2026.**
- 26 **(b)** A unit must include in an impact zone ~~designated under~~
- 27 ~~section 1315 of this chapter~~ the geographical area necessary to ensure
- 28 that:
- 29 (1) there is a functional relationship between the components of
- 30 the infrastructure type in the impact zone;
- 31 (2) the infrastructure type provides a reasonably uniform benefit
- 32 throughout the impact zone; and
- 33 (3) all areas included in the impact zone are contiguous.
- 34 SECTION 26. IC 36-7-4-1316.5 IS ADDED TO THE INDIANA
- 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 36 [EFFECTIVE JULY 1, 2026]: **Sec. 1316.5. (a) This section only**
- 37 **applies to an impact zone designated under section 1315 of this**
- 38 **chapter after June 30, 2026.**
- 39 **(b) Subject to subsection (c), a unit must include in an impact**
- 40 **zone the geographical area necessary to ensure that:**
- 41 **(1) there is a functional relationship between the components**
- 42 **of the infrastructure type in the impact zone;**

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- 1 **(2) the infrastructure type provides a reasonably uniform**
- 2 **benefit throughout the impact zone;**
- 3 **(3) all areas included in the impact zone are contiguous; and**
- 4 **(4) the impact zone is:**
 - 5 **(A) contiguous to the new development;**
 - 6 **(B) coterminous with a:**
 - 7 **(i) utility service; or**
 - 8 **(ii) distribution line of a type described in section**
 - 9 **1309(1) or 1309(5) of this chapter, that may be**
 - 10 **necessary for the new development to interconnect**
 - 11 **with existing utility infrastructure; or**
 - 12 **(C) located not more than five (5) miles from the**
 - 13 **infrastructure type described in section 1309(3) and**
 - 14 **1309(4) of this chapter.**
 - 15 **(c) If a unit:**
 - 16 **(1) adopts an ordinance to adopt, renew, or amend an impact**
 - 17 **fee; or**
 - 18 **(2) has an existing impact fee ordinance that provides for an**
 - 19 **increase in the amount of an impact fee after a period of**
 - 20 **time;**

21 **Then before a unit may adopt an ordinance under subdivision (1),**
 22 **or collect the increased impact fee under subdivision (2), the unit**
 23 **must comply with subsection (d).**

24 **(d) The unit must hold a public hearing. Not less than**
 25 **forty-five (45) days before the date of the public hearing, the unit**
 26 **must do the following:**

- 27 **(1) If the unit has a website, post on the website:**
 - 28 **(A) notice of the public hearing;**
 - 29 **(B) a summary of the impact fee proposed for adoption,**
 - 30 **renewal, amendment or subject to increase under an**
 - 31 **existing ordinance; and**
 - 32 **(C) the impact zone improvement plan.**
- 33 **(2) Publish notice of the public hearing under IC 5-3-1**
 34 **providing:**
 - 35 **(A) a summary of the impact fee proposed for adoption,**
 - 36 **renewal, amendment or subject to increase under an**
 - 37 **existing ordinance;**
 - 38 **(B) the web address (if any) where the information**
 - 39 **posted under subdivision (1) is located; and**
 - 40 **(C) the location where the public may inspect and copy**
 - 41 **the zone improvement plan.**

42 SECTION 27. IC 36-7-4.1 IS ADDED TO THE INDIANA CODE

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1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]:

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

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

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

- 8 (1) a historic area or historic zoning district created under:
 - 9 (A) IC 36-7-11;
 - 10 (B) IC 36-7-11.1;
 - 11 (C) IC 36-7-11.2; or
 - 12 (D) IC 36-7-11.3;

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

14 (3) subject to a homeowner's association.

15 **Sec. 3. 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. 4. 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. 5. 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. 6. 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:**

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

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

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

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

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

36 If the single family dwelling or duplex is a permitted use under
 37 IC 36-7-4.2, this subsection does not apply to a unit that adopts an
 38 ordinance to opt out of this section not later than December 31,
 39 2026.

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

- 42 (1) Require a lot or parcel to have:

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- 1 (A) additional parking to accommodate an accessory
- 2 dwelling unit; or
- 3 (B) parking spaces:
- 4 (i) in excess of those allowed under section 12 of this
- 5 chapter; and
- 6 (ii) within a garage or other enclosed or covered
- 7 area.

8 If the single family dwelling or duplex is a permitted use
 9 under IC 36-7-4.2, this subdivision does not apply to a unit
 10 that adopts an ordinance to opt out not later than December
 11 31, 2026.

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

15 If the single family dwelling or duplex is a permitted use
 16 under IC 36-7-4.2, this subdivision does not apply to a unit
 17 that adopts an ordinance to opt out not later than December
 18 31, 2026.

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

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

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

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

- 36 (1) to exceed:
- 37 (A) one thousand four hundred (1,400) square feet;
- 38 (B) twenty (20) feet in width; or
- 39 (C) sixty (60) feet in depth;
- 40 in size; or
- 41 (2) to have a density ratio of less than thirty-one and
- 42 one-tenth (31.1) dwelling units per acre.

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

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

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

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

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

11 **(i) front or back of the property; or**

12 **(ii) side of the property;**

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

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

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

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

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

32 **(2) A municipality may:**

33 **(A) require a lot to share a driveway with another lot;**

34 **(B) charge a permitting fee consistent with IC 36-7-2.3;**
35 **or**

36 **(C) impose restrictions applicable to all similarly**
37 **situated lots, parcels, or subdivisions, including**
38 **restrictions to fully mitigate storm water runoff;**

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

41 **Sec. 11. (a) This section applies only to the conversion of a**
42 **building from nonresidential occupancy use to mixed use**

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1 residential or multi-family residential use.

2 (b) Except for infrastructure identified in IC 36-7-4-1309(2),

3 an impact fee may not be charged by the unit unless the land was

4 subject to an impact fee before a building permit related

5 conversion was filed with the unit. If the conversion is a permitted

6 use under IC 36-7-4.2, this subsection does not apply to a unit that

7 adopts an ordinance to opt out not later than December 31, 2026.

8 (c) The impact fee for infrastructure identified in

9 IC 36-7-4-1309(2) shall not exceed fifty percent (50%) of the

10 impact fee rate charged for a single family dwelling. If the

11 conversion is a permitted use under IC 36-7-4.2, this subsection

12 does not apply to a unit that adopts an ordinance to opt out not

13 later than December 31, 2026.

14 (d) If:

15 (1) the building was constructed at least five (5) years before

16 the proposed date of the conversion; and

17 (2) the conversion involves:

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

19 (B) each floor of the building that is fit for residential

20 occupancy;

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

22 conversion is a permitted use under IC 36-7-4.2, this subsection

23 does not apply to a unit that adopts an ordinance to opt out not

24 later than December 31, 2026.

25 (e) The unit may not require any of the following for a building

26 conversion described in subsection (c):

27 (1) A traffic impact analysis or study relating to the proposed

28 converted building's effect on traffic or traffic operations.

29 (2) Construction of improvements or payment of a fee to

30 mitigate traffic effects related to the proposed converted

31 building.

32 (3) Any additional parking spaces.

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

34 facility except as necessary to provide the minimum capacity

35 required for the proposed converted building.

36 (5) A design requirement:

37 (A) more restrictive than the applicable minimum

38 standard under IC 22-12-2.5; or

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

40 If the conversion is a permitted use under IC 36-7-4.2, this

41 subsection does not apply to a unit that adopts an ordinance to opt

42 out not later than December 31, 2026.

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- 1 **Sec. 12. (a) This section does not apply to a unit that opts out**
- 2 **of this section by adopting an ordinance not later than December**
- 3 **31, 2026.**
- 4 **(b) Unless a unit adopts an ordinance to opt out of this section**
- 5 **not later than December 31, 2026, this section applies to an**
- 6 **application submitted to a local authority after December 31, 2028,**
- 7 **for:**
 - 8 **(1) a permit; or**
 - 9 **(2) an approval:**
 - 10 **(A) of a land use; or**
 - 11 **(B) for the construction of a development, a building, or**
 - 12 **another structure.**
- 13 **(c) This section does not apply to the following:**
 - 14 **(1) Any part of a unit located not more than one (1) mile**
 - 15 **from a commercial airport that has at least nine million**
 - 16 **(9,000,000) annual enplanements.**
 - 17 **(2) Parking for a religious institution.**
 - 18 **(3) Parking requirements for carpools.**
 - 19 **(4) Temporary or time-restricted parking.**
 - 20 **(5) The minimum number of parking spaces required to**
 - 21 **comply with the Americans with Disabilities Act (42 U.S.C.**
 - 22 **12101 et seq.) that are permanently marked for the exclusive**
 - 23 **use of individuals with disabilities.**
- 24 **(d) As used in this section, "local authority" has the meaning**
- 25 **set forth in IC 36-7-4-1109.**
- 26 **(e) A unit may require not more than:**
 - 27 **(1) one (1) parking space for each multi-family residence;**
 - 28 **(2) one (1) parking space for each single family home; or**
 - 29 **(3) two (2) parking spaces for each one thousand (1,000)**
 - 30 **square feet of commercial space.**
- 31 **(f) Unless a unit adopts an ordinance to opt out of this section**
- 32 **not later than December 31, 2026, a unit may not establish any**
- 33 **minimum parking space requirements for the following:**
 - 34 **(1) A dwelling that is not more than one thousand two**
 - 35 **hundred (1,200) square feet.**
 - 36 **(2) A commercial space that is less than three thousand**
 - 37 **(3,000) square feet.**
 - 38 **(3) Affordable housing.**
 - 39 **(4) A senior housing property.**
 - 40 **(5) A child care center licensed under IC 12-17.2-4.**
 - 41 **(6) A ground level nonresidential space in a mixed use**
 - 42 **building.**

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- 1 **(7) A building, including a vacant building, undergoing a**
- 2 **change of use:**
- 3 **(A) from a nonresidential to a residential use; or**
- 4 **(B) for a commercial use.**
- 5 **(g) Unless a unit adopts an ordinance to opt out of this section**
- 6 **not later than December 31, 2026, a unit may not adopt or enforce**
- 7 **any ordinance, rule, or regulation that limits the maximum number**
- 8 **of parking spaces for any residential type, including single family**
- 9 **dwelling units, duplexes, triplexes, fourplexes, townhouses, accessory**
- 10 **dwelling units, multi-family residential dwellings, or any**
- 11 **commercial or mixed use development.**
- 12 **(h) A unit may request a variance from the requirements of**
- 13 **this section by submitting a request to the fire prevention and**
- 14 **building safety commission, if the unit can show that compliance**
- 15 **with this section would be hazardous to the life, health, and safety**
- 16 **of residents. A unit's variance request must be supported with the**
- 17 **written opinion of a building official or fire chief.**
- 18 **(i) A unit may request a variance to require additional parking**
- 19 **spaces permanently marked for the exclusive use of individuals**
- 20 **with disabilities in a number that exceeds the minimum required**
- 21 **for compliance with the Americans with Disabilities Act (42 U.S.C.**
- 22 **12101 et seq.) based upon on the planned or likely population,**
- 23 **location, or safety of a building, using objective standards.**
- 24 **Sec. 13. This section applies to structure classified as an R-2**
- 25 **building occupancy classification under the Indiana building code**
- 26 **adopted by the fire prevention and building safety commission. A**
- 27 **structure that is not more than:**
- 28 **(1) three (3) stories; and**
- 29 **(2) twenty-four (24) total units;**
- 30 **shall be permitted to have a passenger elevator not larger than an**
- 31 **elevator that accommodates a wheelchair.**
- 32 **Sec. 14. Notwithstanding section 14 of this chapter, nothing in**
- 33 **this chapter:**
- 34 **(1) affects a unit's regulation of short term rentals as under**
- 35 **IC 36-1-24;**
- 36 **(2) prohibits property owners from enforcing rules or deed**
- 37 **restrictions imposed by a homeowners association or by**
- 38 **other private agreement, including restrictions relating to an**
- 39 **accessory dwelling unit;**
- 40 **(3) supersedes applicable building codes, fire codes, or public**
- 41 **health and safety laws;**
- 42 **(4) relieves a person from obtaining a required permit;**

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1 (5) prohibits a unit from taking enforcement actions,
 2 imposing fines, penalties, or requiring project modifications
 3 to bring a development into compliance; or
 4 (6) affects a restrictive covenant or regulation of a
 5 condominium association or homeowners' association.
 6 Sec. 15. A zoning ordinance adopted before January 1, 2027,
 7 is void and unenforceable to the extent that the ordinance conflicts
 8 with this chapter.
 9 Sec. 16. A person adversely affected or aggrieved by a
 10 violation of this chapter may bring an action against the unit for:
 11 (1) declaratory and injunctive relief; and
 12 (2) costs and reasonable attorney's fees.
 13 SECTION 28. IC 36-7-4.2 IS ADDED TO THE INDIANA CODE
 14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2026]:
 16 Chapter 4.2. Permitted Uses
 17 Sec. 1. The definitions in IC 36-7-1, IC 36-1-2, and IC 36-7-4.1
 18 apply throughout this chapter.
 19 Sec. 2. This chapter only applies to property that on January
 20 1, 2026, is located:
 21 (1) not more than one-quarter (1/4) of a mile from a public
 22 transit route;
 23 (2) in the boundaries of a riverfront development project
 24 under IC 7.1-3-20-16.1; or
 25 (3) in:
 26 (A) an area zoned residential or commercial; and
 27 (B) an allocation area of a redevelopment commission.
 28 Sec. 3. This chapter does not apply to property within:
 29 (1) a historic area or historic zoning district created under:
 30 (A) IC 36-7-11;
 31 (B) IC 36-7-11.1;
 32 (C) IC 36-7-11.2; or
 33 (D) IC 36-7-11.3;
 34 (2) a flood plain (as defined in IC 14-8-2-99); or
 35 (3) subject to a homeowner's association.
 36 Sec. 4. If an area is zoned for residential use, any one (1) of the
 37 following is a permitted use on each lot or parcel:
 38 (1) At least two (2) single family dwellings.
 39 (2) At least one (1) duplex. However, a unit may require a
 40 will-serve letter for a duplex.
 41 Sec. 5. (a) This section only applies to an accessory dwelling
 42 unit located within the corporate boundaries of a municipality.

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

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

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

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

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

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

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

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

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

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

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

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for an accessory dwelling unit.

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

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

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

(2) Land that is located:

(A) not more than one thousand (1,000) feet from an

existing heavy industrial use or development site; or

(B) not more than three thousand (3,000) feet from an

airport or military base.

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

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

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

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

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

(1) Imposes the following:

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

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

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

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

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

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

(ii) sixty (60) feet;

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

(C) A setback or buffer requirement that is more

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restrictive than the lesser of:
(i) a setback or buffer requirement that would apply to an office, commercial, retail, or warehouse development constructed on the site; or
(ii) twenty-five (25) feet;
unless a unit adopts an ordinance to opt out of this clause not later than December 31, 2026.

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

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

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

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

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

- (1) a will-serve letter; and
- (2) an application fee, subject to IC 36-7-2.3.

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

- (1) an economic improvement district under IC 36-7-22;
- (2) the economic enhancement district under IC 36-7-40; or
- (3) similar improvement district.

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

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

Chapter 4.3. Increasing Housing Development

Sec. 1. This chapter does not apply to a unit that does not opt out of the provisions that are applicable to the unit under

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- 1 **IC 36-7-4-201.3, IC 36-7-4.1, or IC 36-7-4.2.**
- 2 **Sec. 2. As used in this chapter, "unit" means a county, city, or**
- 3 **town.**
- 4 **Sec. 3. As used in this chapter, "UDO" means a unified**
- 5 **development ordinance.**
- 6 **Sec. 4. Not later than January 1, 2027, a unit conduct a public**
- 7 **hearing to review the UDO and any zoning regulations and land**
- 8 **development rules, with the goal of increasing housing**
- 9 **development by using the following factors:**
- 10 **(1) Providing for higher density development of duplexes,**
- 11 **triplexes, and fourplexes in areas designated for single family**
- 12 **homes.**
- 13 **(2) Constructing other housing types including accessory**
- 14 **dwelling units and manufactured and modular housing.**
- 15 **(3) Adaptive reuse of commercial buildings for residential**
- 16 **use such as allowing multifamily development in retail,**
- 17 **office, and light manufacturing zones.**
- 18 **(4) Increasing the allowable floor area ratio in multifamily**
- 19 **housing areas.**
- 20 **(5) Waiving or eliminating regulations such as requirements**
- 21 **for:**
- 22 **(A) garage size and placement;**
- 23 **(B) steeper roof pitch;**
- 24 **(C) minimum lot size and square footage;**
- 25 **(D) greater setbacks;**
- 26 **(E) off-street parking;**
- 27 **(F) design standards that restrict or prohibit the use of**
- 28 **code compliant products; or**
- 29 **(G) property height limitations.**
- 30 **(6) Reviewing impact fee zones with zone advisory committee**
- 31 **for improvements.**
- 32 **(7) Streamlining or shortening the permitting processes and**
- 33 **timelines, including through one stop and parallel process**
- 34 **permitting by fifteen (15) days or more.**
- 35 **(8) Using property tax abatements to enable higher density**
- 36 **and mixed income communities.**
- 37 **(9) Donating vacant land for affordable housing**
- 38 **development.**
- 39 **Sec. 5. Not later than January 1, 2027, the unit shall submit a**
- 40 **report to the executive director of legislative services agency by**
- 41 **electronic means under IC 5-14-6 that contains the following:**
- 42 **(1) If the unit:**

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- 1 **(A) invested in a housing study in 2021, 2022, 2023,**
- 2 **2024, or 2025; or**
- 3 **(B) had a housing study performed by a region's local**
- 4 **economic development organization;**
- 5 **a copy of the housing study.**
- 6 **(2) The minutes from the public hearing conducted under**
- 7 **section 4 of this chapter.**
- 8 **(3) Any newly developed or amended UDO as a result of the**
- 9 **review under section 4 of this chapter. The unit must provide**
- 10 **a written description of the ways in which the UDO was**
- 11 **changed to support increased housing development by using**
- 12 **some or all of the factors set forth in section 4 of this chapter.**
- 13 SECTION 30. IC 36-7-14-53, AS AMENDED BY P.L.204-2023,
- 14 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 15 JULY 1, 2026]: Sec. 53. (a) A commission may establish a residential
- 16 housing development program by resolution for the construction of new
- 17 residential housing or the renovation of existing residential housing in
- 18 an area within the jurisdiction of the commission.
- 19 (b) The program, which may include any relevant elements the
- 20 commission considers appropriate, may be adopted as part of a
- 21 redevelopment plan or amendment to a redevelopment plan, and must
- 22 establish an allocation area for purposes of sections 39 and 56 of this
- 23 chapter for the accomplishment of the program. The program must be
- 24 approved by the municipal legislative body or county executive as
- 25 specified in section 17 of this chapter.
- 26 (c) The notice and hearing provisions of sections 17 and 17.5 of
- 27 this chapter, including notice under section 17(c) of this chapter to a
- 28 taxing unit that is wholly or partly located within an allocation area,
- 29 apply to the resolution adopted under subsection (b). Judicial review of
- 30 the resolution may be made under section 18 of this chapter.
- 31 (d) Before formal submission of any residential housing
- 32 development program to the commission, the department of
- 33 redevelopment shall:
- 34 (1) consult with persons interested in or affected by the proposed
- 35 program, including the superintendents and governing body
- 36 presidents of all school corporations located within the proposed
- 37 allocation area;
- 38 (2) provide the affected neighborhood associations, residents,
- 39 and township assessors with an adequate opportunity to
- 40 participate in an advisory role in planning, implementing, and
- 41 evaluating the proposed program; and
- 42 (3) hold at least one (1) public meeting to obtain the views of

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

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

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

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

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

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

25 (b) This section applies beginning July 1, 2027, and is intended to
 26 reinstate section 53 of this chapter as it was in effect on January 1,
 27 2023.

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

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

39 (2) for a commission established by a municipality, the average
 40 of new, single family residential houses constructed within the
 41 municipal boundaries during the preceding three (3) calendar
 42 years is less than one percent (1%) of the total number of single

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HB 1001—LS 7120/DI 87



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1 family residential houses within the boundaries of the
 2 municipality on January 1 of the year in which the resolution is
 3 adopted.

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

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

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

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

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

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

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

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

HB 1001—LS 7120/DI 87



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1 (h) The department of local government finance in cooperation
 2 with either the appropriate county agency or the appropriate municipal
 3 agency, or both, shall determine whether a county or municipality
 4 meets the threshold requirements under subsection (c). In making the
 5 determination, the department of local government finance may request
 6 information necessary to make the determination. A county or
 7 municipality may request from the department of local government
 8 finance a report, if it exists, describing the effect of current assessed
 9 value allocated to tax increment financing allocation areas on the
 10 amount of the tax levy or proceeds and the credit for excessive property
 11 taxes under IC 6-1.1-20.6 for the taxing units within the boundaries of
 12 the residential housing development program.

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

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

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

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

27 SECTION 33. An emergency is declared for this act.

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