

HOUSE BILL No. 1043

DIGEST OF INTRODUCED BILL

Citations Affected: IC 14-8-2-64.5; IC 14-25-18.

Synopsis: Data center water regulation. Defines "data center". Prohibits a person from operating a data center in Indiana without obtaining a consumption permit from the department of natural resources (department). Sets forth information that must be included in a consumption permit application. Establishes procedures for the department to approve or deny a consumption permit application. Provides that a consumption permit may be transferred under certain circumstances. Provides that a person may consult with the department to assess the viability of a proposed data center with respect to water consumption. Allows the natural resources commission to adopt rules to implement this bill.

Effective: July 1, 2026.

Burton

December 2, 2025, read first time and referred to Committee on Natural Resources.



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.

HOUSE BILL No. 1043

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.

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

1 SECTION 1. IC 14-8-2-64.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: **Sec. 64.5. "Data center", for purposes of IC 14-25-18,**
4 **means a facility:**

5 **(1) the primary services of which are the storage,**
6 **management, and processing of digital data;**

7 **(2) that is used to house:**

8 **(A) computer and network systems, including associated**
9 **components, such as servers, network equipment and**

10 **appliances, telecommunications, and data storage systems;**

11 **(B) systems for monitoring and managing infrastructure**
12 **performance;**

13 **(C) Internet related equipment and services;**

14 **(D) data communications connections;**

15 **(E) environmental controls;**

16 **(F) fire protection systems; and**

17 **(G) security systems and services; and**



(3) that has the capability of consuming at least ten million (10,000,000) gallons of water in one (1) month.

SECTION 2. IC 14-25-18 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 18. Data Center Water Regulation

Sec. 1. A person may not operate a data center in Indiana without obtaining a consumption permit from the department. A person must obtain a new consumption permit for each data center operated by the person.

Sec. 2. (a) A person may consult with the department to evaluate the viability of a proposed data center with respect to water consumption.

(b) Upon request of a person described in subsection (a), the department shall provide a written evaluation of a proposed data center with respect to water consumption.

(c) If a person requests a written evaluation under subsection (b), the department may request information and documents related to the proposed data center from the person, including:

(1) a description of the project;

(2) the project's estimated:

(A) water use rates; and

(B) volumes for the:

(i) maximum day;

(ii) maximum month; and

(iii) average year; and

(3) the anticipated source of water.

(d) Information and documents exchanged under this section are confidential.

Sec. 3. (a) A person may apply to the department for a consumption permit in a form and manner prescribed by the department.

(b) An application under subsection (a) must include the following:

(1) An application fee, as determined by the department.

(2) The signature of the applicant.

(3) A statement verifying that the information submitted is true, accurate, and complete to the best of the applicant's knowledge.

(4) A description of the data center.

(5) The data center's estimated:

(A) water use rates; and



- 1 (B) volumes for the:
- 2 (i) maximum day;
- 3 (ii) maximum month; and
- 4 (iii) average year.
- 5 (6) The data center's anticipated source of water.
- 6 (7) Information demonstrating that the data center will
- 7 protect the public health, safety, and welfare.
- 8 (8) Information demonstrating that the data center will utilize
- 9 technologies or measures to promote:
- 10 (A) water conservation; and
- 11 (B) watershed health.
- 12 (c) An application fee paid under this section is not refundable
- 13 by the department.
- 14 (d) For purposes of subsection (b), technologies or measures that
- 15 promote water conservation and watershed health include:
- 16 (1) water efficient fixtures and practices;
- 17 (2) recycling water before discharge;
- 18 (3) partnering with local water utilities to use discharged
- 19 water from the data center;
- 20 (4) using reclaimed water;
- 21 (5) installing closed loop systems; and
- 22 (6) supporting water restoration and replenishment in local
- 23 watersheds.
- 24 Sec. 4. (a) The department shall review an application submitted
- 25 under section 3 of this chapter. If the department determines that
- 26 the application submitted under section 3 of this chapter is
- 27 complete, the department shall notify the applicant.
- 28 (b) The department shall return an application to the applicant
- 29 if the department determines that the application is incomplete,
- 30 inaccurate, or both.
- 31 (c) If the department returns an application to an applicant
- 32 under subsection (b), the department shall inform the applicant in
- 33 writing that the applicant may file a corrected application not
- 34 more than sixty (60) days after the receipt of the returned
- 35 application.
- 36 (d) Not later than ninety (90) days after notifying the applicant
- 37 of a complete application as described in subsection (a), the
- 38 department shall approve or deny the application.
- 39 Sec. 5. The department may not approve an application if the
- 40 data center that is the subject of the application will:
- 41 (1) injure the public health, safety, and welfare; or
- 42 (2) impair:



- 1 (A) water conservation; or
- 2 (B) watershed health.

3 Sec. 6. If the department approves an application, the
4 department shall issue to the applicant a consumption permit.

5 Sec. 7. A consumption permit may be transferred or assigned
6 from a person that operates a data center to another person that
7 intends to operate the data center.

8 Sec. 8. The commission may adopt rules under IC 4-22-2 to
9 implement this chapter.

