

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

**LS 6203**  
**BILL NUMBER: HB 1043**

**NOTE PREPARED:** Nov 14, 2025  
**BILL AMENDED:**

**SUBJECT:** Data Center Water Regulation.

**FIRST AUTHOR:** Rep. Burton  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
                          X DEDICATED  
                          FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill defines "data center". It prohibits a person from operating a data center in Indiana without obtaining a consumption permit from the Department of Natural Resources (DNR). It sets forth information that must be included in a consumption permit application. It establishes procedures for the DNR to approve or deny a consumption permit application. It provides that a consumption permit may be transferred under certain circumstances. It provides that a person may consult with the DNR to assess the viability of a proposed data center with respect to water consumption. It allows the Natural Resources Commission (NRC) to adopt rules to implement this bill.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** The bill would increase workload for the DNR to review and approve or deny applications and issue water consumption permits for data centers. It also allows the NRC to adopt rules to implement data center water regulations. The additional workload for both entities should be able to be accomplished using existing resources.

**Explanation of State Revenues:** The bill could increase revenue to the DNR's Division of Water if the NRC adopts rules implementing an application fee. The amount of any additional revenue will depend on the amount of the fee and the number of facilities that would fit the bill's definition of a "data center," thereby requiring a consumption permit (having the *capability* of consuming at least 10 million gallons of water in a month).

There are currently about 70 facilities in Indiana that could potentially fit the definition, depending on their capability for water consumption. Only one is registered with the DNR as a significant water withdrawal facility [A significant water withdrawal facility is defined in statute as the facilities of a person (or group acting in concert) that, in aggregate from all sources and by all methods, has the capability to withdraw more than 100,000 gallons of ground water and/or surface water in day]. However, this data would only include facilities with a self-supplied water source, not facilities that purchases water from a utility.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Natural Resources, Natural Resources Commission.

**Local Agencies Affected:**

**Information Sources:** Department of Natural Resources; <https://www.datacentermap.com/usa/indiana/>;  
<https://www.in.gov/dnr/water/water-availability-use-rights/significant-water-withdrawal-facility-data/>.

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