

HOUSE BILL No. 1297

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1.2; IC 5-28; IC 36-7.

Synopsis: Water intensive facilities. Provides that if a proposed economic development project includes proposed construction or establishment of a facility that will consume an average of at least 500,000 gallons of water per day in ordinary operation (water intensive facility), the Indiana finance authority (IFA) may not approve a bid for the project, the Indiana economic development corporation (IEDC) may not grant a job creation incentive for the project, and a local unit may not provide financing for the project unless the IFA, IEDC, or local unit: (1) provides notice of the proposed water intensive facility to the water utility that provides water utility service to the proposed location of the water intensive facility; (2) receives from the water utility a plan for provision of water utility service to the water intensive facility; (3) determines that the water utility's plan adequately ensures that: (A) the water utility can reliably meet both the ordinary and peak water demand of the water intensive facility; and (B) incremental costs of supplying water to the water intensive facility will be allocated to and paid by the water intensive facility; and (4) provides the water utility's plan to the local plan commission.

Effective: July 1, 2026.

Burton

January 6, 2026, read first time and referred to Committee on Utilities, Energy and Telecommunications.



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. 1297

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

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

1 SECTION 1. IC 5-1.2-2-85 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: **Sec. 85. "Water intensive facility" means a facility that**
4 **consumes an average of at least five hundred thousand (500,000)**
5 **gallons of water per day in ordinary operation.**

6 SECTION 2. IC 5-1.2-2-86 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2026]: **Sec. 86. "Water utility" has the meaning set forth in**
9 **IC 8-1-30.8-4.**

10 SECTION 3. IC 5-1.2-9-6.4 IS ADDED TO THE INDIANA CODE
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2026]: **Sec. 6.4. A bid submitted in response to a notice published**
13 **under section 5 of this chapter must include a description of the**
14 **size and character of each improvement proposed by the bidder to**
15 **be constructed or established on the offered property. The**
16 **description must include:**

17 (1) the proposed location of the improvement;



(2) the expected water consumption of the improvement, including:

(A) an estimate of the amount, in gallons, of water the improvement will annually consume in ordinary operation;

(B) an estimate of the rate, in gallons per day, of the improvement's peak water demand;

(C) any expected seasonal variation in the improvement's water consumption; and

(D) any special service requirements with regard to the improvement's water utility service;

(3) the expected operating hours of the improvement; and

(4) the date on which the improvement is expected to commence operation.

SECTION 4. IC 5-1.2-9-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6.5. (a) If a bid submitted in response to a notice published under section 5 of this chapter includes proposed construction or establishment of an improvement that the authority determines, based on the information provided by the bidder under section 6.4 of this chapter, will be a water intensive facility, the authority shall provide notice of the proposed water intensive facility to the water utility that provides water utility service to the proposed location of the water intensive facility. The notice must include the information submitted by the bidder with regard to the water intensive facility under section 6.4 of this chapter.

(b) Not later than thirty (30) days after receiving notice of a proposed water intensive facility under subsection (a), a water utility shall submit to the authority a plan for the water utility's provision of water utility service to the water intensive facility. The plan must include provisions specifically addressing how the water utility will:

(1) reliably meet both the ordinary and peak water demand of the water intensive facility; and

(2) ensure that incremental costs of supplying water utility service to the water intensive facility are allocated to and paid by the water intensive facility.

SECTION 5. IC 5-1.2-9-7, AS ADDED BY P.L.189-2018, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. The authority may reject any or all bids or may make awards to the highest and best bidder or bidders. In determining the highest and best bids, the authority may take into consideration the



following:

(1) The size and character of the improvements for the economic development project as proposed by the bidder to be made on the property and the terms and conditions of the consideration offered by the bidder.

(2) The bidder's plans and ability to carry out the economic development project with reasonable promptness.

(3) Whether the property and interests to be acquired by the bidder will be leased or released for the economic development project.

(4) The nature and extent of any obligations to be undertaken by the authority in conjunction with the improvement of the property or interests to be acquired for the economic development project as proposed by the bidder.

(5) The potential impact of the bidder's proposal on the creation of new employment or the retention of existing employment resulting from the economic development project.

(6) The potential impact of the bidder's proposal to attract or establish a major new business enterprise or to retain or expand a significant existing business enterprise that will provide or preserve gainful employment for the citizens of the state.

(7) The economic benefits to the state and its citizens that will result from the economic development project, as proposed by the bidder, including the dollar volume of new or preserved wages and salaries, increases in or preservation of state and local government tax revenues, the incremental economic benefits to the citizens of the state, the state, and local governmental units potentially resulting from the economic development project as proposed by the bidder, and any other direct or indirect economic benefit to the state and its citizens resulting from the economic development project as proposed by the bidder.

(8) The potential impact and benefit to the state and its citizens of the economic development project as proposed by the bidder from the standpoint of both human and economic welfare.

(9) The plan submitted under section 6.5 of this chapter for provision of water utility service to any water intensive facility proposed in the bid.

SECTION 6. IC 5-1.2-9-8, AS ADDED BY P.L.189-2018, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. **(a)** In making an award to the highest and best bidder as provided in section 7 of this chapter, the authority shall determine whether in its judgment the potential benefits to the state and



its citizens of the economic development project as proposed by the bidder exceed the direct costs to the authority of acquiring the property and interests being offered for sale or lease for the economic development project less any sums to be paid by the successful bidder pursuant to its bid.

(b) If a bid includes proposed construction or establishment of a water intensive facility, the authority may make an award to the bidder only if the authority determines that the plan for provision of water utility service to the water intensive facility submitted by a water utility under section 6.5 of this chapter adequately ensures that:

(1) the water utility can reliably meet both the ordinary and peak water demand of the water intensive facility; and

(2) incremental costs of supplying water to the water intensive facility will be allocated to and paid by the water intensive facility.

(c) The authority's judgment concerning ~~this determination~~ the determinations under this section shall be based on the economic studies, analyses, and projections that the authority determines are reasonably necessary.

(d) The authority's ~~determination~~ is determinations under this section are final and conclusive.

SECTION 7. IC 5-1.2-9-13, AS ADDED BY P.L.189-2018, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 13. The authority shall prepare a report that **includes the following:**

(1) briefly describes A brief description of the proposed economic development project.

(2) Estimates of the number and expense of public works or services that would be made necessary or desirable by the proposed economic development project, including public ways, schools, water, sewers, street lights, and fire protection.

(3) The plan submitted under section 6.5 of this chapter for provision of water utility service to any water intensive facility that is proposed to be constructed or established as part of the proposed economic development project.

(3) (4) Estimates of the total costs of the proposed economic development project.

(4) (5) For an economic development project that is not exclusively either a pollution control facility or an educational facility project, estimates of the number of jobs and the payroll to be created or saved by the project.



(5) (6) For educational facility projects, ~~describes a description~~
of how the project promotes the educational enrichment
(including cultural, intellectual, scientific, or artistic
opportunities) of the people of the state. ~~and~~

(6) (7) For pollution control facilities, ~~describes a description of~~
the facilities and how they will abate, reduce, or prevent pollution.

The report shall be submitted to the executive director or chair of the
plan commission, if any, having jurisdiction over the economic
development project and, if the number of new jobs estimated exceeds
one hundred (100), to the superintendent of the school corporation
where the economic development project will be located. The
executive director or chair of the plan commission and the school
superintendent may formulate their written comments concerning the
report and transmit their comments, if any, to the authority within five
(5) days after the receipt of the report.

SECTION 8. IC 5-28-2-8 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2026]: **Sec. 8. "Water intensive facility" means a facility that
consumes an average of at least five hundred thousand (500,000)
gallons of water per day in ordinary operation.**

SECTION 9. IC 5-28-2-9 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2026]: **Sec. 9. "Water utility" has the meaning set forth in
IC 8-1-30.8-4.**

SECTION 10. IC 5-28-6-5.4 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2026]: **Sec. 5.4. The corporation shall require that an application
for a job creation incentive from the corporation must include a
description of the size and character of each improvement that the
applicant proposes to construct or establish with the benefit of the
job creation incentive. The description must include:**

- (1) the proposed location of the improvement;
- (2) the expected water consumption of the improvement,
including:
 - (A) an estimate of the amount, in gallons, of water the
improvement will annually consume in ordinary operation;
 - (B) an estimate of the rate, in gallons per day, of the
improvement's peak water demand;
 - (C) any expected seasonal variation in the improvement's
water consumption; and
 - (D) any special service requirements with regard to the
improvement's water utility service;



- 1 (3) the expected operating hours of the improvement; and
 2 (4) the date on which the improvement is expected to
 3 commence operation.

4 SECTION 11. IC 5-28-6-5.5 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2026]: **Sec. 5.5. (a)** If the corporation determines, based on
 7 information included in an application for a job creation incentive
 8 under section 5.4 of this chapter, that a proposed improvement
 9 described in the application will be a water intensive facility, the
 10 corporation shall provide notice of the proposed water intensive
 11 facility to the water utility that provides water utility service to the
 12 proposed location of the water intensive facility. The notice must
 13 include the information included in the application with regard to
 14 the water intensive facility under section 5.4 of this chapter.

15 **(b)** Not later than thirty (30) days after receiving notice of a
 16 proposed water intensive facility under subsection (a), a water
 17 utility shall submit to the corporation a plan for the water utility's
 18 provision of water utility service to the water intensive facility. The
 19 plan must include provisions specifically addressing how the water
 20 utility will:

- 21 (1) reliably meet both the ordinary and peak water demand of
 22 the water intensive facility; and
 23 (2) ensure that incremental costs of supplying water utility
 24 service to the water intensive facility are allocated to and paid
 25 by the water intensive facility.

26 **(c)** Upon receipt of a water utility's plan for provision of water
 27 utility service to a water intensive facility under subsection (b), the
 28 corporation shall provide the plan to the plan commission, if any,
 29 having jurisdiction over the proposed location of the water
 30 intensive facility.

31 **(d)** If an application for a job creation incentive includes
 32 proposed construction or establishment of a water intensive
 33 facility, the corporation may grant the job creation incentive to the
 34 applicant only if the corporation determines that the plan for
 35 provision of water utility service to the water intensive facility
 36 submitted by a water utility under subsection (b) adequately
 37 ensures that:

- 38 (1) the water utility can reliably meet both the ordinary and
 39 peak water demand of the proposed water intensive facility;
 40 and
 41 (2) incremental costs of supplying water to the proposed
 42 water intensive facility will be allocated to and paid by the



water intensive facility.

SECTION 12. IC 36-7-1-21.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 21.5. "Water intensive facility" means a facility that consumes an average of at least five hundred thousand (500,000) gallons of water per day in ordinary operation.**

SECTION 13. IC 36-7-1-21.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 21.6. "Water utility" has the meaning set forth in IC 8-1-30.8-4.**

SECTION 14. IC 36-7-2-15.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 15.1. A unit may provide financing (as defined in IC 36-7-11.9-5) under this article for construction or establishment of a proposed water intensive facility only if the unit:**

(1) provides to the water utility that provides water utility service to the proposed location of the water intensive facility notice that:

(A) includes:

- (i) the proposed location of the water intensive facility;**
- (ii) an estimate of the amount, in gallons, of water the water intensive facility will annually consume in ordinary operation;**
- (iii) an estimate of the rate, in gallons per day, of the water intensive facility's peak water demand;**
- (iv) a description of any expected seasonal variation in the water intensive facility's water consumption;**
- (v) a description of any special service requirements with regard to the water intensive facility's water utility service;**
- (vi) the expected operating hours of the water intensive facility; and**
- (vii) the date on which the water intensive facility is expected to commence operation; and**

(B) requests that the water utility submit to the unit, not later than thirty (30) days after receiving the notice, a plan for provision of water utility service to the proposed water intensive facility that includes provisions specifically addressing how the water utility will:

- (i) reliably meet both the ordinary and peak water demand of the water intensive facility; and**



- 1 (ii) ensure that incremental costs of supplying water
2 utility service to the water intensive facility are allocated
3 to and paid by the water intensive facility;
4 (2) determines that the plan submitted by the water utility in
5 response to the notice under subdivision (1) adequately
6 ensures that:
7 (A) the water utility can reliably meet both the ordinary
8 and peak water demand of the proposed water intensive
9 facility; and
10 (B) incremental costs of supplying water to the proposed
11 water intensive facility will be allocated to and paid by the
12 water intensive facility; and
13 (3) provides the water utility's plan to the plan commission, if
14 any, having jurisdiction over the proposed location of the
15 water intensive facility.

