

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

LS 6724

BILL NUMBER: HB 1297

NOTE PREPARED: Jan 2, 2026

BILL AMENDED:

SUBJECT: Water Intensive Facilities.

FIRST AUTHOR: Rep. Burton

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill 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, 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 Date: July 1, 2026.

Explanation of State Expenditures: The workload of the IFA and the IEDC will increase. The bill requires them to notify water utilities of proposed water intensive facilities and review their plans to provide adequate water service. The bill's requirements should be able to be implemented within existing resources.

Explanation of State Revenues:

Explanation of Local Expenditures: The workload of municipal water utilities where water intensive facilities would be constructed may increase. They would be required to submit plans within 30 days for

providing water to a proposed water intensive facility to the IFA, IEDC, and local units.

This bill would also increase local units' expenditures. They would be required to provide notice to a water utility, determine whether the plan to provide water service to the facility is adequate, and provide the plan to the local plan commission that has jurisdiction over the proposed project. The amount of expenditures will depend on the scope of individual projects.

Explanation of Local Revenues:

State Agencies Affected: IFA; IEDC.

Local Agencies Affected: Local units; municipal water utilities.

Information Sources:

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