

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

LS 7025

BILL NUMBER: HB 1333

NOTE PREPARED: Jan 29, 2026

BILL AMENDED: Jan 20, 2026

SUBJECT: Land Use and Development.

FIRST AUTHOR: Rep. Culp

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *IFA Agreements:* This bill requires a development that is sited on land: (1) in an area zoned agricultural; and (2) comprised of certain capability classes of soils; to be a permitted use. It extends governmental immunity to a private entity or nonprofit entity that has executed certain agreements under the Indiana Brownfields Program.

Data Center - Local Unit Agreements: The bill provides that before a qualified data center user may use a specific transaction award certificate issued after June 30, 2026, to purchase qualified data center equipment eligible for the state gross retail tax exemption, the qualified data center user and a local unit that issues after June 30, 2026, a permit authorizing the development, construction, or operation of the qualified data center in the unit shall enter into a written agreement that includes a commitment by the qualified data center user to contribute to the local unit an amount equal to at least 1% of the amount of taxes that are not paid on each purchase of qualified data center equipment that is made: (1) using the specific transaction award certificate; and (2) during the duration of the specific transaction award certificate

Definitions: For purposes of the statute concerning energy production zones, the bill: (1) redesignates the term "electric generation facility" as "electric generation or storage facility"; and (2) provides that the term includes a utility scale battery energy storage system (BESS).

Electric Storage Facility Notifications: It also provides that if a planned electric generation or storage facility will include a BESS, the project owner must include in the required statutory notice to the local planning authority: (1) the emergency response plan required under the statute governing the approval of a battery energy storage system by the Department of Homeland Security (department); and (2) documentation of the department's approval of the BESS. The bill also makes conforming changes.

Local Public Hearings: This bill allows a plan commission, board of zoning appeals, or county or municipal legislative body (body) to require a person to provide their name and address in writing in order to speak at a public hearing regarding certain matters. Allows the body's presiding officer to give consideration to whether a person is a county resident or has an interest as an owner, lessor, lessee, or life tenant in real

property within the county in deciding: (1) the order of speakers; and (2) the amount of time allotted to speakers; at a hearing.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *IFA Agreements:* The bill may increase the capacity of the Indiana Finance Authority (IFA) by allowing government immunity to extend to parties it contracts with. The workload of the IFA may increase in managing its contracts as a result of the bill's provisions.

Electric Storage Facility Notifications: This bill increases the workload of the Indiana Department of Homeland Security (IDHS) to review and approve utility scale battery energy storage system emergency response plans for responding to fire and the discharge of environmental contaminants from electric utilities. The workload increase will depend on the number of applications the IDHS receives to bring utility scale batteries online. [According to the Indiana Utility Regulatory Commission's 2025 Annual Report, there are currently 8 utility scale batteries online, and by May 2029 an additional 10 will be brought online.]

Explanation of State Revenues:

Explanation of Local Expenditures: *Electric Storage Facility Notifications:* Municipal utilities that seek to bring a utility scale battery energy storage system online will have to notify their local planning authority and include their emergency response plan and approval from the IDHS for their utility scale battery. The bill's requirements are within utilities' functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Local Public Hearings: The workload of local planning commissions and municipal bodies may increase in processing an individual's identification and processing whether they are a resident of the county or has an interest as an owner, lessor, lessee, or life tenant in real property in the county. The presiding officer may use this information to allocate how much time a person may speak, and the other in which persons speak in a hearing.

Explanation of Local Revenues: *Data Center - Local Unit Agreements:* This bill requires data center owners and local governments to sign an agreement that includes a commitment by the qualified data center user to contribute to the local unit an amount equal to at least 1% of the sales taxes that were not paid due to their specific transaction award from the Indiana Economic Development Corporation (IEDC). The revenues received by local governments under these agreements will depend on the number of data centers with transaction awards and the size of eligible purchases the data centers conduct.

State Agencies Affected: IDHS, IFA, IEDC.

Local Agencies Affected: Municipal Utilities, Local Planning Commissions.

Information Sources:

2025 IURC Annual Report, <https://www.in.gov/iurc/files/2025-IURC-Annual-Report.pdf>

Fiscal Analyst: Abdul Abdulkadri, 317-232-9852.