

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

LS 7028
BILL NUMBER: HB 1355

NOTE PREPARED: Feb 17, 2026
BILL AMENDED: Feb 12, 2026

SUBJECT: Confined Feeding Operations.

FIRST AUTHOR: Rep. Culp
FIRST SPONSOR: Sen. Niemeyer

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill creates a preapplication process for the approval of confined feeding operations (CFOs). It provides that the Department of Environmental Management (IDEM) must refund a CFO application fee under certain circumstances. It provides that certain CFOs do not need to use certain equipment for solid manure produced by livestock. It prohibits IDEM from requiring an existing CFO permit holder, who is applying to expand an operation, to update a previously approved facility or structure. It establishes certain requirements for earthen berms at manure storage facilities. It also requires IDEM to: (1) designate an employee as the point of contact for information on CFO applications; and (2) distribute the contact information of the designated employee to all operating CFOs.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The bill's requirements regarding pre-application meetings, CFO permit requirements, designating a point of contact for CFO applicants and earthen berms will increase workload for IDEM, but should be able to be implemented using existing staffing and resources.

Additional Information: There are currently 1,615 CFOs permitted in Indiana. IDEM's CFO permitting operations divide the state into four regions. Each region has a Permit Manger responsible for handling all permit applications in their region, including renewals, transfers, facility changes, and construction approvals.

Explanation of State Revenues: *Application Fees:* The bill requires, rather than allows, IDEM to refund the application fee of \$175 if IDEM does not make a determination on a CFO permit application within 90 days. Permit application fees are deposited into the dedicated Environmental Management Permit Operation Fund. Any potential reduction in fee revenue is expected to be minor and will depend on administrative action.

Civil Penalty: IDEM may assess a civil penalty of up to \$25,000 per day, to be deposited into the state General Fund, for a violation of the bill's earthen berm requirements.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Environmental Management.

Local Agencies Affected:

Information Sources: Alex Goodnight, IDEM; IC 13-30-4;
www.in.gov/idem/cfo/files/about_fees_schedule.pdf.

Fiscal Analyst: Jason Barrett, 317-232-9809.