

HOUSE BILL No. 1435

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-31.

Synopsis: Landlord-tenant matters. Requires a landlord to provide and maintain a rental premises that is free from the following: (1) Pests, including rodents and invasive insects. (2) Mold. (3) Rot. Sets forth a procedure for a tenant to use to initiate a request for repairs. Requires, under certain circumstances, a landlord to repair or replace an essential system not later than 72 hours after being notified by a tenant that the tenant's rental unit is without essential services. Defines "essential services" and "essential system". Allows for certain remedies to the tenant for the landlord's noncompliance, including a procedure for the deposit of rent that is due with the clerk of the court if the landlord fails or refuses to make repairs or take remedial action. Provides that, after June 30, 2026, a landlord may not manage a rental property in Indiana unless the landlord: (1) is authorized to do business in Indiana; (2) maintains an office at one or more physical locations in Indiana; or (3) appoints an Indiana licensed real estate broker or broker company to manage the rental property.

Effective: July 1, 2026.

Moed

January 8, 2026, read first time and referred to Committee on Judiciary.



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. 1435

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

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

1 SECTION 1. IC 32-31-8-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. **(a) As used in this**
3 **section, "essential services" means:**

- 4 **(1) electrical systems;**
5 **(2) plumbing systems;**
6 **(3) sanitary systems;**
7 **(4) heating, ventilating, and air conditioning systems;**
8 **(5) elevators;**
9 **(6) appliances; and**
10 **(7) doors and windows that lock securely;**

11 **needed for the safe and habitable occupation of a rental unit by a**
12 **tenant.**

13 **(b) As used in this section, "essential system" means a system,**
14 **or one (1) or more component parts of a system:**

- 15 **(1) used for; or**
16 **(2) necessary to;**

17 **the delivery of one (1) or more essential services to a rental unit.**



(c) A landlord shall do the following:

(1) Deliver the rental premises to a tenant in compliance with the rental agreement, and in a safe, clean, and habitable condition.

(2) Comply with all health and housing codes applicable to the rental premises.

(3) Make all reasonable efforts to keep common areas of a rental premises in a clean and proper condition.

~~(4) Provide and maintain the following items in a rental premises in good and safe working condition, if provided on the premises at the time the rental agreement is entered into:~~

~~(A) Electrical systems.~~

~~(B) Plumbing systems sufficient to accommodate a reasonable supply of hot and cold running water at all times.~~

~~(C) Sanitary systems.~~

~~(D) Heating, ventilating, and air conditioning systems. A heating system must be sufficient to adequately supply heat at all times.~~

~~(E) Elevators, if provided.~~

~~(F) Appliances supplied as an inducement to the rental agreement.~~

(4) Provide and maintain all essential systems.

(5) Provide and maintain a rental premises that is free from the following:

(A) Pests, including rodents and invasive insects.

(B) Mold.

(C) Rot.

(d) Subsection (c)(4) does not:

(1) prohibit a landlord from interrupting, shutting off, or terminating one (1) or more essential services to a rental unit as needed:

(A) in an emergency;

(B) to make good faith repairs; or

(C) for construction; or

(2) require a landlord to pay for one (1) or more essential services provided to a rental unit if the landlord has not agreed to do so under the rental agreement.

(e) To initiate a request for a repair of an essential system, an essential service, or a repair under subsection (c), a tenant shall use the procedure set forth in this subsection. A tenant shall first make a written or electronic repair request to a landlord. Upon receipt of a tenant's repair request under this subsection, a landlord shall provide a written or electronic acknowledgment of the request



1 within twenty-four (24) hours of the receipt of the request. A
 2 tenant's written or electronic request for a repair and a landlord's
 3 written or electronic acknowledgment of a repair request may
 4 include a text message, electronic mail, certified mail, or another
 5 written communication that allows for verification of delivery.

6 (f) Subject to subsection (g), a landlord shall repair or replace
 7 an essential system not later than seventy-two (72) hours after
 8 being notified by a tenant in accordance with subsection (e) that
 9 the tenant's rental unit is without one (1) or more essential services
 10 as a result of:

- 11 (1) a malfunction in the essential system; or
- 12 (2) the landlord's failure to otherwise maintain the essential
- 13 system in good and safe working condition.

14 (g) The seventy-two (72) hour period set forth in subsection (f)
 15 does not apply if:

- 16 (1) the tenant's rental unit is without one (1) or more essential
- 17 services because of a malfunction in an essential system, and
- 18 the malfunction is the direct result of the tenant's commission
- 19 of waste to the essential system or the rental unit; or
- 20 (2) the landlord makes a good faith attempt within the
- 21 seventy-two (72) hour period set forth in subsection (f) to
- 22 undertake the needed repairs to, or the replacement of, an
- 23 essential system through:

24 (A) the landlord's own efforts; or

25 (B) the services of:

26 (i) a contractor; or

27 (ii) an employee or agent of the landlord;

28 and the landlord or person described in clause (B) is unable to
 29 begin or complete the needed repairs or replacement within
 30 the seventy-two (72) hour period set forth in subsection (f).

31 (h) To demonstrate a good faith attempt to address a tenant's
 32 repair request under subsection (e) or for purposes of subsection
 33 (g)(2), a landlord shall provide proof of intention to repair within
 34 seventy-two (72) hours of the tenant's repair request. Proof of
 35 intention to repair may include a quote, confirmation of scheduled
 36 maintenance from a vendor, or confirmation of scheduled
 37 maintenance from the landlord if the landlord performs the repair.

38 SECTION 2. IC 32-31-8-5.5 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 40 1, 2026]: Sec. 5.5. (a) To use the procedure established by this
 41 section, a tenant must:

- 42 (1) be current on rent payments and have a history of on time



1 payments on the same rental premises for the last six (6)
2 months; or

3 (2) have a history of on time payments since the beginning of
4 the lease if the tenant has rented for less than six (6) months.

5 (b) In addition to, or instead of, bringing an action under section
6 of this chapter, a tenant may enforce an obligation of a landlord
7 under this chapter by doing the following:

8 (1) Notify the landlord, in writing or electronically, after a
9 seventy-two (72) hour waiting period that:

10 (A) the landlord has failed to make necessary repairs
11 under this chapter; and

12 (B) if the landlord fails to make the necessary repairs
13 before the tenant's next regular rental payment is due
14 under the rental agreement, the tenant may petition the
15 court to deposit rental payments with the clerk of the
16 court.

17 The court shall notify the landlord not later than thirty (30)
18 days after the date the tenant's petition is approved or before
19 the date that the next rental payment is due, whichever is
20 earlier. During this time period, the landlord may not file an
21 action to evict the tenant.

22 (2) Subject to subsection (c), deposit all rent that is due with
23 the clerk of the court having jurisdiction in the county where
24 the rental premises is located if the landlord fails or refuses
25 to:

26 (A) make the repairs; or

27 (B) take the actions necessary to remedy the condition
28 described in the tenant's notice under subdivision (1);

29 before the due date of the tenant's next regular rental
30 payment following delivery of the notice under subdivision
31 (1).

32 (3) Apply to the court for an order that directs the landlord to
33 remedy the condition.

34 (4) Terminate the rental agreement.

35 (c) A tenant may not take any action described in subsection
36 (b)(2), (b)(3), or (b)(4) if the:

37 (1) tenant does not satisfy the condition required by
38 subsection (a);

39 (2) tenant prevents the landlord from having reasonable
40 access to the rental premises to make any repairs or take any
41 action necessary to remedy the condition described in the
42 tenant's notice before the due date of the tenant's next regular



rental payment following delivery of the notice under subsection (b)(1); or

(3) landlord:

(A) owns, manages, or operates not more than four (4) rental units at any one (1) time; or

(B) occupies one (1) of the living quarters of the rental premises in a dwelling containing living quarters that are intended to be occupied by not more than four (4) families living independently of each other.

(d) A proceeding under this section does not preclude the tenant or the landlord from enforcing any obligations listed in the rental agreement.

SECTION 3. IC 32-31-8-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6.5. (a) This section applies to an action that is filed under section 6 of this chapter after June 30, 2026.

(b) During the pendency of an action to which this section applies, if the tenant continues to occupy the rental unit upon which the action is based, the court may issue a provisional order that requires the tenant to make regular rental payments otherwise due to the landlord under the rental agreement to:

(1) the clerk of the court, who shall hold the payments in trust for the parties; or

(2) an attorney trust account;

as directed by the court. The funds held by the clerk or in an attorney trust account under this subsection may not be disbursed unless the court issues an order for their disbursement.

(c) Subject to subsection (e), if the tenant is the prevailing party in the action under section 6 of this chapter, the tenant is entitled to a refund of payments made under an order issued by the court under subsection (b). The amount of the refund:

(1) shall be determined by the court after taking into consideration:

(A) the estimated cost of any repairs or other action necessary to remedy the condition that was the basis of the tenant's action under section 6 of this chapter;

(B) efforts undertaken by the landlord before or after the filing of the tenant's action under section 6 of this chapter to remedy the condition that was the basis of the tenant's action under section 6 of this chapter; and

(C) any other factors that justice may require; and

(2) shall be disbursed to the tenant upon order of the court.



(d) Subject to subsection (e), if the tenant is not the prevailing party in the action under section 6 of this chapter, the tenant is not entitled to a refund of any rental payments made under an order issued by the court under subsection (b), and any amounts held in trust by the clerk of the court or in an attorney trust account shall, upon order of the court, be disbursed to the landlord and credited against the amount of the regular rental payments due to the landlord under the rental agreement during the pendency of the action.

(e) The court may reduce the amount to be disbursed to a landlord in an order under subsection (d), if the court determines that the landlord's failure to comply with one (1) or more of the requirements of this chapter contributed in any way to the necessity of repairs or other action needed to remedy the condition that was the basis of the tenant's action under section 6 of this chapter as justice may require.

SECTION 4. IC 32-31-8-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) If rent is being deposited with the clerk of the court under section 5.5 or 6.5 of this chapter, the landlord may apply for the release of rent deposits to the:

(1) clerk of the court on the basis that the condition contained in the notice is remedied; or

(2) court on the basis that the:

(A) tenant:

(i) did not comply with the notice requirement in section 5.5 of this chapter; or

(ii) was not current on rent payments under the rental agreement at the time the tenant initiated the rent deposits with the clerk of the court, as required by section 5.5(a) of this chapter; or

(B) landlord did not violate an obligation under this chapter.

(b) The landlord shall name the tenant as a party to an application filed under this section.

(c) The court shall hold a hearing not more than sixty (60) days after the application is filed unless, for good cause shown, the court continues the hearing.

(d) If the court continues a hearing under this section, the court may, upon the landlord's request, order a release of partial rent deposits for the following operating costs arising from the rental premises that is the subject of a proceeding under this chapter:



(1) Mortgage payments, including periodic interest payments on the mortgage.

(2) Insurance premiums.

(3) Real estate taxes.

(4) Utility services.

(5) Repairs.

(e) If the court finds in the landlord's favor after a hearing under this section, the court shall order the full release of rent deposits, minus costs, to the landlord.

(f) If the court finds after a hearing under this section that the:

(1) tenant's act or omission caused the condition; or

(2) tenant intentionally acted in bad faith;

the tenant is liable for damages caused to the landlord and costs, including reasonable attorney's fees.

SECTION 5. IC 32-31-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 13. Landlord's Required Nexus

Sec. 1. As used in this chapter, "landlord" has the meaning set forth in IC 32-31-3-3.

Sec. 2. After June 30, 2026, a landlord may not manage a rental property in Indiana unless one (1) or more of the following apply:

(1) The landlord is authorized to do business in Indiana.

(2) The landlord maintains an office at one (1) or more physical locations in Indiana.

(3) The landlord appoints an Indiana licensed real estate broker or broker company to manage the rental property.

