

SENATE BILL No. 4

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-1.1-7; IC 4-29.5-18-2; IC 5-28-6-9; IC 6-1.1; IC 12-29-2-2.

Synopsis: Various fiscal matters. Requires the legislative services agency to perform a fiscal impact analysis for all executive orders issued by the governor within seven days of an order's issuance. (Under current law, this requirement only applies to a governor's declaration of a disaster emergency by executive order.) Amends the Pokagon Indiana Education Fund to allow payments to be made to both public and private Indiana institutions of higher learning for the purposes of the fund. Specifies that each initial tax credit award is subject to budget committee review in determining the annual aggregate tax credit cap under current law. Amends provisions to subject all taxing units with an unelected board to binding review of the board's budget by the county, city, or town fiscal body. Provides that a county may (instead of shall) provide property tax funding for the operation of community mental health centers.

Effective: Upon passage; July 1, 2026.

Mishler, Garten

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



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.

SENATE BILL No. 4

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

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

- 1 SECTION 1. IC 2-5-1.1-7, AS AMENDED BY P.L.213-2025,
2 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 7. (a) The council shall maintain a bipartisan
4 service and administrative agency for the general assembly to assist it
5 in the performance of its constitutional responsibilities as a separate
6 and independent legislative branch of state government. The service
7 and administrative agency shall be known as the "Legislative Services
8 Agency".
9 (b) In maintaining the legislative services agency the council shall:
10 (1) establish the qualifications for and employ such personnel as
11 are required to carry out the purposes and provisions of this
12 chapter;
13 (2) employ an executive director, to be charged with the
14 administrative responsibility of all offices, departments, or
15 divisions which the council may from time to time establish, and
16 to serve as chief executive under the council;
17 (3) adopt rules and regulations governing personnel practices and



1 establishing the rights, privileges, powers, and duties of all
2 employees;

3 (4) provide for employees to be covered by the public employees'
4 retirement fund; and

5 (5) establish a pay scale for all employees including the executive
6 director.

7 Rules and regulations adopted by the council under subdivision (3) are
8 not subject to IC 4-22-2. In those rules and regulations, the council may
9 limit the political activity of legislative services agency employees.

10 (c) The executive director is entitled to serve as long as he properly
11 performs his duties, but he may be removed at any time upon the
12 affirmative vote of twelve (12) members of the council.

13 (d) The executive director may submit to the council such reports
14 and drafts of resolutions, budgets, and appropriation bills as may be
15 required for the efficient operation of the council's activities and
16 programs.

17 (e) The legislative services agency shall perform such bill drafting,
18 research, code revision, fiscal, budgetary, and management analysis,
19 information, administrative, and other services as are requested by the
20 council.

21 (f) The legislative services agency shall perform a fiscal impact
22 analysis for each executive order issued by the governor ~~under~~
23 ~~IC 10-14-3~~ within seven (7) days of the executive order issuance and
24 provide the fiscal note to:

25 (1) the legislative council; and

26 (2) the budget committee.

27 SECTION 2. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,
28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 2. The Pokagon Indiana Education Fund shall
30 be used solely to make payments directly to Indiana ~~public~~ institutions
31 of higher learning or workforce development and training programs
32 approved by the Indiana Department of Workforce Development for
33 eligible Band citizens for direct costs and expenses, such as tuition,
34 on-campus room and board, and other direct education expenses. To be
35 eligible, a Band citizen must (i) be enrolled in the Band prior to
36 benefitting from any payment, and (ii) meet the education or workforce
37 provider admission requirements. Priority shall be given to Band
38 citizens who are legal residents of the State of Indiana as of the date of
39 their application for benefits.

40 SECTION 3. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,
41 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate



amount of applicable tax credits that the corporation may certify:

(1) for each state fiscal year ending on or before June 30, 2025, for all taxpayers is two hundred fifty million dollars (\$250,000,000); and

(2) for each state fiscal year ending on or after July 1, 2025, for all taxpayers is three hundred million dollars (\$300,000,000). Each ~~certification under this subdivision~~ **initial tax credit award** is subject to budget committee review.

(b) For purposes of determining the amount of applicable tax credits that have been certified for a state fiscal year, the following apply:

(1) An applicable tax credit is considered awarded in the state fiscal year in which the taxpayer can first claim the credit, determined without regard to any carryforward period or carryback period.

(2) An applicable tax credit awarded by the corporation before July 1, 2022, shall be counted toward the aggregate credit limitation under this section.

(3) If an accelerated credit is awarded under IC 6-3.1-26-15, the amount counted toward the aggregate credit limitation under this section for a state fiscal year shall be the amount of the credit for the taxable year described in subdivision (1) prior to any discount.

(c) Notwithstanding subsection (a), if the corporation determines that:

(1) an applicable tax credit should be certified in a state fiscal year; and

(2) certification of the applicable tax credit will result in an aggregate amount of applicable tax credits certified for that state fiscal year that exceeds the maximum amount provided in subsection (a);

the corporation may, after review by the budget committee, certify the applicable tax credit to the taxpayer.

(d) This section expires December 31, 2032.

SECTION 4. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 20. (a) This section applies to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body. For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) As used in this section, "taxing unit" has the meaning set forth



in IC 6-1.1-1-21, except that the term does not include a public library or an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but:

(A) the taxing unit was originally established by the city or town; or

(B) the majority of the individuals serving on the governing body of the taxing unit are appointed by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the ensuing budget year, instead of multiplying the maximum levy growth quotient determined under IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

(A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus



1 (B) one (1).
2 STEP TWO: Multiply:
3 (A) the STEP ONE result; by
4 (B) eight-tenths (0.8).
5 STEP THREE: Add one (1) to the STEP TWO result.
6 However, if the taxing unit files the information as required in
7 subsection (c) or (d), whichever applies, for the budget year
8 immediately following the budget year for which the formula under this
9 subsection is applied, when calculating the maximum ad valorem
10 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
11 subsequent budget year, the taxing unit's maximum permissible ad
12 valorem property tax levy must be calculated as if the formula under
13 this subsection had not been applied for the affected budget year.
14 (g) If the appropriate fiscal body fails to complete the requirements
15 of subsection (e) before the adoption deadline in section 5 of this
16 chapter for any taxing unit subject to this section, when calculating the
17 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
18 the city, town, or county for the ensuing budget year, instead of
19 multiplying the maximum levy growth quotient determined under
20 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
21 the city's, town's, or county's maximum permissible ad valorem
22 property tax levy for the preceding calendar year as prescribed in STEP
23 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
24 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
25 ad valorem property tax levy for the preceding calendar year must
26 instead be multiplied by the result of the following:
27 STEP ONE: Determine:
28 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
29 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
30 (B) one (1).
31 STEP TWO: Multiply:
32 (A) the STEP ONE result; by
33 (B) eight-tenths (0.8).
34 STEP THREE: Add one (1) to the STEP TWO result.
35 However, if the city, town, or county files the information as required
36 in subsection (e) for the budget year immediately following the budget
37 year for which the formula under this subsection is applied, when
38 calculating the maximum ad valorem property tax levy under
39 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
40 budget year, the unit's maximum permissible ad valorem property tax
41 levy must be calculated as if the formula under this subsection had not
42 been applied for the affected budget year.



SECTION 5. IC 6-1.1-17-20.3 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 20.3: (a) Except as provided in section 20.4 of this chapter, this section applies only to the governing body of a public library that:

(1) is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; rounded to the nearest thousandth (0.001); minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library's territory is entirely contained within a city or town; or

(2) the assessed valuation of a public library's territory is not entirely contained within a city or town but more than fifty percent (50%) of the assessed valuation of the public library's territory is contained within the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d); rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply or the public library's territory covers more than one (1) county, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department



1 of local government finance before September 2 of a year:

2 (e) The fiscal body of the city, town, or county (whichever applies)
3 shall review each budget and proposed tax levy and adopt a final
4 budget and tax levy for the public library. The fiscal body may reduce
5 or modify but not increase the proposed budget or tax levy.

6 (f) If a public library fails to file the information required in
7 subsection (e) or (d), whichever applies, with the appropriate fiscal
8 body by the time prescribed by this section, when calculating the
9 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
10 the public library for the ensuing budget year, instead of multiplying
11 the maximum levy growth quotient determined under
12 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
13 the public library's maximum permissible ad valorem property tax levy
14 for the preceding calendar year as prescribed in STEP TWO of
15 IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a),
16 the public library's maximum permissible ad valorem property tax levy
17 for the preceding calendar year must instead be multiplied by the result
18 of the following:

19 STEP ONE: Determine:

- 20 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
21 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus
22 (B) one (1).

23 STEP TWO: Multiply:

- 24 (A) the STEP ONE result; by
25 (B) eight-tenths (0.8).

26 STEP THREE: Add one (1) to the STEP TWO result.

27 However, if the public library files the information as required in
28 subsection (e) or (d), whichever applies, for the budget year
29 immediately following the budget year for which the formula under this
30 subsection is applied, when calculating the maximum ad valorem
31 property tax levy under IC 6-1.1-18.5-3(a) for the public library for the
32 subsequent budget year, the public library's maximum permissible ad
33 valorem property tax levy must be calculated as if the formula under
34 this subsection had not been applied for the affected budget year.

35 (g) If the appropriate fiscal body fails to complete the requirements
36 of subsection (e) before the adoption deadline in section 5 of this
37 chapter for any public library subject to this section, when calculating
38 the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a)
39 for the city, town, or county for the ensuing budget year, instead of
40 multiplying the maximum levy growth quotient determined under
41 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
42 the city's, town's, or county's maximum permissible ad valorem



property tax levy for the preceding calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a); for purposes of STEP TWO of IC 6-1.1-18.5-3(a); the city's, town's, or county's maximum permissible ad valorem property tax levy for the preceding calendar year must instead be multiplied by the result of the following:

STEP ONE: Determine:

(A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus

(B) one (1).

STEP TWO: Multiply:

(A) the STEP ONE result; by

(B) eight-tenths (0.8).

STEP THREE: Add one (1) to the STEP TWO result.

However, if the city, town, or county files the information as required in subsection (c) for the budget year immediately following the budget year for which the formula under this subsection is applied; when calculating the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent budget year; the unit's maximum permissible ad valorem property tax levy must be calculated as if the formula under this subsection had not been applied for the affected budget year.

SECTION 6. IC 6-1.1-17-20.4 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 20.4: (a) This section applies only if on December 31, as reported in the public library's annual report under IC 5-11-1-4; the cash balance of all funds of the public library derived from tax revenue is greater than one hundred fifty percent (150%) of the public library's certified budget for the ensuing year.

(b) If section 20.3(a)(2) of this chapter does not apply; the fiscal body of a city, town, or county may adopt a resolution to require the public library to submit its proposed budget and property tax levy to the city, town, or county fiscal body as set forth in section 20.3(c) or 20.3(d) of this chapter (whichever is applicable) for binding review and approval as set forth under section 20.3 of this chapter. However; the fiscal body of the city, town, or county may not reduce a public library's proposed budget or tax levy in a budget year under this section by more than ten percent (10%) of the public library's operating levy in the immediately preceding budget year.

(c) A resolution may be adopted under this section not later than July 1. A resolution adopted under this section remains in full force and effect until the December 31 cash balance of all funds of the public library derived from tax revenue, as reported in the public library's annual report under IC 5-11-1-4; no longer exceed one hundred fifty



percent (150%) of the public library's certified budget for the ensuing year.

(d) Before a fiscal body may adopt a resolution under this section, the fiscal body must hold a public hearing on the proposed resolution and provide the public with notice of the time and place where the public hearing will be held. The notice required by this subsection must be given in accordance with IC 5-3-1 and include the proposed resolution. In addition to the notice required by this subsection, the fiscal body shall also provide a copy of the notice to all taxing units in the city, town, or county at least thirty (30) days before the public hearing.

(e) A resolution adopted by a fiscal body under this section shall be submitted to:

(1) the department of local government finance; and

(2) the public library;

not later than five (5) days after the date the resolution is adopted.

SECTION 7. IC 6-1.1-17-20.6 IS REPEALED [EFFECTIVE JULY 1, 2026]. See: 20-6. (a) Each public library shall identify the applicable city, town, or county fiscal body that receives a public library's proposed budget as provided in section 20.3(c) or 20.3(d) of this chapter.

(b) Not later than October 1, 2020, a public library shall report the applicable city, town, or county fiscal body identified under subsection (a) to the Indiana state library. The report submitted to the state library must contain:

(1) the name of the public library;

(2) the appropriate fiscal body of a city, town, or county to review a library budget under section 20.3(c) or 20.3(d) of this chapter; and

(3) after adoption by the respective board, the signatures of the public library board president and the appropriate fiscal body president.

The Indiana state library shall provide the information submitted to the Indiana state library under this subsection to the department of local government finance by not later than November 1, 2020.

(c) If a fiscal body, other than the fiscal body identified by the public library under subsection (a), objects to the public library's determination under subsection (a), the objecting fiscal body may submit a formal objection to:

(1) the Indiana state library;

(2) the public library; and

(3) the fiscal body identified under subsection (a) by the public



library:

(d) If a public library:

(1) is unable to identify the applicable fiscal body under subsection (a);

(2) does not complete the reporting requirements established in subsection (b); or

(3) has a formal objection filed under subsection (c) against the public library's fiscal body designation under subsection (a);

the public library shall file an original action seeking a declaratory judgment in a court with jurisdiction to identify the appropriate fiscal body. The public library shall file a copy of the declaratory judgment with the Indiana state library within thirty (30) days of the court's entry of judgment.

(e) The Indiana state library shall provide the information submitted to the Indiana state library under subsection (b) to the department of local government finance by not later than November 1, 2020.

(f) If there is a change in the territory of the public library:

(1) the public library shall submit a report under subsection (b) to the Indiana state library not later than October 1; and

(2) the Indiana state library shall report the information under subsection (b) to the department of local government finance not later than November 1;

in the year the change in territory becomes effective. Subsections (c) and (d) apply to the public library and to any fiscal body that objects to the public library's designation under subsection (a).

SECTION 8. IC 6-1.1-18-5, AS AMENDED BY P.L.156-2024, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall hold a public hearing after submitting the following information regarding the proposed additional appropriation to the department's computer gateway:

(1) The amount of the additional appropriation.

(2) The name of the affected fund.

(3) The name and account number of the affected account.

(4) The date, time, and place at which the political subdivision or appropriate fiscal body will hold a public hearing on the proposed additional appropriation.

(b) If the additional appropriation by the political subdivision is made from a fund for which the budget, rate, or levy is certified by the department of local government finance under IC 6-1.1-17-16, the



political subdivision must report the additional appropriation to the department of local government finance in the manner prescribed by the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) Subject to ~~subsections~~ **subsection (j), and (k);** after the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance not later than fifteen (15) days after the additional appropriation is adopted by the appropriate fiscal body. If the additional appropriation is not submitted to the department of local government finance within fifteen (15) days after adoption, the department of local government finance may require the political subdivision to conduct a readoption hearing.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a



determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

- (1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the political subdivision; and
- (2) state with reasonable specificity the reason for the request.

The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

~~(k)~~ This subsection applies to a public library that is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20 or IC 6-1.1-17-20.4. If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20.3(d), as appropriate.

~~(h)~~ **(k)** This subsection applies to an appropriation for which the underlying purpose is a bond issue. The political subdivision shall include the appropriation for the bond proceeds in the budget of the political subdivision for the ensuing year adopted under IC 6-1.1-17. If the political subdivision does not include the appropriation for the bond proceeds as required by this subsection, the political subdivision shall comply with the requirements of this section in the year in which the bond proceeds are received, but may not take an action pursuant to this section in a year before the year in which the bond proceeds are received.

~~(m)~~ **(l)** The proper officers of a political subdivision shall submit the information described in subsection (a)(1) through (a)(4), in a manner prescribed by the department, to the department's computer gateway at



1 least fourteen (14) days prior to the public hearing. The department
 2 shall make the information submitted by the political subdivision
 3 available to taxpayers through the department's computer gateway at
 4 least ten (10) days prior to the public hearing. If the date, time, or place
 5 of the public hearing changes following the original submission of the
 6 information to the department's computer gateway, the political
 7 subdivision shall submit the updated information to the department's
 8 computer gateway as soon as possible.

9 SECTION 9. IC 6-1.1-18.5-12, AS AMENDED BY P.L.68-2025,
 10 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2026]: Sec. 12. (a) Any civil taxing unit that incurs increased
 12 costs resulting from annexation, a natural disaster, an accident, or
 13 another unanticipated emergency, and determines that it cannot carry
 14 out its governmental functions for an ensuing calendar year under the
 15 levy limitations imposed by section 3 or 25 of this chapter, as
 16 applicable, may, subject to subsections (h) and (i):

17 (1) before October 20 of the calendar year immediately preceding
 18 the ensuing calendar year; or

19 (2) in the case of a request described in section 16 of this chapter,
 20 before December 31 of the calendar year immediately preceding
 21 the ensuing calendar year;

22 appeal to the department of local government finance for relief from
 23 those levy limitations. In the appeal the civil taxing unit must state that
 24 it will be unable to carry out the governmental functions committed to
 25 it by law unless it is given the authority that it is petitioning for. The
 26 civil taxing unit must support these allegations by reasonably detailed
 27 statements of fact.

28 (b) The department of local government finance shall immediately
 29 proceed to the examination and consideration of the merits of the civil
 30 taxing unit's appeal.

31 (c) In considering an appeal, the department of local government
 32 finance has the power to conduct hearings, require any officer or
 33 member of the appealing civil taxing unit to appear before it, or require
 34 any officer or member of the appealing civil taxing unit to provide the
 35 department with any relevant records or books.

36 (d) If an officer or member:

37 (1) fails to appear at a hearing after having been given written
 38 notice requiring that person's attendance; or

39 (2) fails to produce the books and records that the department by
 40 written notice required the officer or member to produce;

41 then the department may file an affidavit in the circuit court, superior
 42 court, or probate court in the jurisdiction in which the officer or



1 member may be found setting forth the facts of the failure.

2 (e) Upon the filing of an affidavit under subsection (d), the court
3 shall promptly issue a summons, and the sheriff of the county within
4 which the court is sitting shall serve the summons. The summons must
5 command the officer or member to appear before the department to
6 provide information to the department or to produce books and records
7 for the department's use, as the case may be. Disobedience of the
8 summons constitutes, and is punishable as, a contempt of the court that
9 issued the summons.

10 (f) All expenses incident to the filing of an affidavit under
11 subsection (d) and the issuance and service of a summons shall be
12 charged to the officer or member against whom the summons is issued,
13 unless the court finds that the officer or member was acting in good
14 faith and with reasonable cause. If the court finds that the officer or
15 member was acting in good faith and with reasonable cause or if an
16 affidavit is filed and no summons is issued, the expenses shall be
17 charged against the county in which the affidavit was filed and shall be
18 allowed by the proper fiscal officers of that county.

19 (g) The fiscal officer of a civil taxing unit that appeals under section
20 16 of this chapter for relief from levy limitations shall immediately file
21 a copy of the appeal petition with the county auditor and the county
22 treasurer of the county in which the unit is located.

23 (h) This subsection applies to a civil taxing unit whose budget for
24 the upcoming year is subject to review by a fiscal body under

25 ~~(1) IC 6-1.1-17-20.~~

26 ~~(2) IC 6-1.1-17-20.3; or~~

27 ~~(3) IC 6-1.1-17-20.4.~~

28 A civil taxing unit described in this subsection may not submit an
29 appeal under this section unless the civil taxing unit receives approval
30 from the appropriate fiscal body to submit the appeal.

31 (i) A participating unit of a fire protection territory may not submit
32 an appeal under this section unless each participating unit of the fire
33 protection territory has adopted a resolution approving submission of
34 the appeal.

35 SECTION 10. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
36 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2026]: Sec. 2. (a) A county ~~shall~~ **may** provide funding for the
38 operation of community mental health centers in the amount
39 determined under subsection (b) or, in the case of Marion County for
40 calendar year 2019, calendar year 2020, and calendar year 2021, the
41 amount determined under subsection (c).

42 (b) Except as provided in subsection (c), the amount of funding



under subsection (a) for a calendar year ~~is~~ **may** equal **up** to the following:

(1) The county's maximum appropriation amount for the operation of community mental health centers determined under this chapter in the previous calendar year, if the STEP THREE result under the following formula is less than or equal to zero (0):

STEP ONE: Determine the amount of the certified levy for funds subject to the civil maximum levy in the immediately preceding calendar year minus the amount of credits granted under IC 6-1.1-20.6 that were allocated to funds subject to the civil maximum levy in the immediately preceding calendar year, as determined by the department of local government finance under IC 6-1.1-20.6-11.

STEP TWO: Determine the amount of the certified levy for funds subject to the civil maximum levy in the year prior to the immediately preceding calendar year minus the amount of credits granted under IC 6-1.1-20.6 that were allocated to funds subject to the civil maximum levy in the year prior to the immediately preceding calendar year, as determined by the department of local government finance under IC 6-1.1-20.6-11.

STEP THREE: Determine the remainder of the STEP ONE amount minus the STEP TWO amount.

(2) If the STEP THREE result under the formula in subdivision (1) is greater than zero (0), then the county's maximum appropriation amount for the operation of community mental health centers determined under this chapter in the previous calendar year, multiplied by the greater of:

(A) one (1); or

(B) the result of STEP SIX of the following formula:

STEP ONE: Determine the maximum levy growth quotient for the year under IC 6-1.1-18.5 minus one (1).

STEP TWO: Determine the amount of the certified levy for funds subject to the civil maximum levy in the immediately preceding calendar year minus the amount of credits granted under IC 6-1.1-20.6 that were allocated to funds subject to the civil maximum levy in the immediately preceding calendar year, as determined by the department of local government finance under IC 6-1.1-20.6-11.

STEP THREE: Determine the amount of the certified levy for funds subject to the civil maximum levy in the immediately preceding calendar year.



- 1 STEP FOUR: Determine the result of the STEP TWO
 2 amount divided by the STEP THREE amount.
 3 STEP FIVE: Determine the product of the STEP ONE
 4 amount multiplied by the STEP FOUR result.
 5 STEP SIX: Determine the STEP FIVE amount plus one (1).
 6 The department of local government finance shall verify the maximum
 7 appropriation calculation under this subsection as part of the
 8 certification of the county's budget under IC 6-1.1-17. For taxes due
 9 and payable in 2020, the department of local government finance shall
 10 calculate the maximum appropriation under this subsection as if the
 11 taxes were due and payable in 2019.
 12 (c) This subsection applies only in calendar year 2019, calendar year
 13 2020, and calendar year 2021. In the case of Marion County, the
 14 amount of funding under subsection (a) for a calendar year is
 15 determined under this subsection and is equal to the following:
 16 (1) For calendar year 2019, the sum of:
 17 (A) the actual amount of the appropriations by the county for
 18 community mental health centers under this chapter in 2018;
 19 plus
 20 (B) the result of thirty-three percent (33%) multiplied by the
 21 result of:
 22 (i) the amount that would have, except for the application of
 23 this subsection, applied to the county under subsection (b)
 24 for calendar year 2019; minus
 25 (ii) the actual amount of the appropriations by the county for
 26 community mental health centers under this chapter in 2018.
 27 (2) For calendar year 2020, the sum of:
 28 (A) the actual amount of the appropriations by the county for
 29 community mental health centers under this chapter in 2019;
 30 plus
 31 (B) the result of sixty-six percent (66%) multiplied by the
 32 result of:
 33 (i) the amount that would have, except for the application of
 34 this subsection, applied to the county under subsection (b)
 35 for calendar year 2020; minus
 36 (ii) the actual amount of the appropriations by the county for
 37 community mental health centers under this chapter in 2019.
 38 (3) For calendar year 2021, the amount that would have, except
 39 for the application of this subsection, applied to the county under
 40 subsection (b) for calendar year 2021.
 41 The department of local government finance shall verify the maximum
 42 appropriation calculation under this subsection as part of the



1 certification of the county's budget under IC 6-1.1-17. This subsection
2 expires January 1, 2022.

3 (d) The funding provided by a county under this section shall be
4 used solely for:

5 (1) the operations of community mental health centers serving the
6 county; or

7 (2) contributing to the nonfederal share of medical assistance
8 payments to community mental health centers serving the county.

9 **SECTION 11. An emergency is declared for this act.**

