



Reprinted  
January 29, 2026

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## SENATE BILL No. 4

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DIGEST OF SB 4 (Updated January 28, 2026 2:52 pm - DI 129)

**Citations Affected:** IC 2-5; IC 4-29.5; IC 5-28; IC 12-29; noncode.

**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. Amends provisions regarding budget committee review of tax credits in determining the annual aggregate tax credit cap. Makes the following changes (effective July 1, 2028) regarding community mental health centers (CMHC): (1) Allows a county to meet CMHC funding requirements from any funding source in lieu of or in combination with property taxes but excluding federal funds. (2) Adds provisions concerning the location where certain CMHC services may be provided. (3) Specifies additional items that are required to be reported by a CMHC. Urges the legislative council to assign to the interim study committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines.

**Effective:** Upon passage; July 1, 2025 (retroactive); July 1, 2028.

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## Mishler, Garten

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January 8, 2026, read first time and referred to Committee on Appropriations.  
January 22, 2026, amended, reported favorably — Do Pass.  
January 28, 2026, read second time, amended, ordered engrossed.

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SB 4—LS 7099/DI 120





Reprinted  
January 29, 2026

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

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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

**SB 4—LS 7099/DI 120**



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



1       amount of applicable tax credits that the corporation may certify:  
2           (1) for each state fiscal year ending on or before June 30, 2025,  
3           for all taxpayers is two hundred fifty million dollars  
4           (\$250,000,000); and  
5           (2) for each state fiscal year ending on or after July 1, 2025, for all  
6           taxpayers is three hundred million dollars (\$300,000,000). Each  
7           certification under this subdivision **tax credit award** is subject to  
8           budget committee review:  
9              (A) beginning after February 1, 2026, and before May 1,  
10             2026, after the first calendar quarter in which the award  
11             is made; and  
12              (B) after April 30, 2026, at the next budget committee  
13             meeting immediately following the date of the tax credit  
14             award.  
15        (b) For purposes of determining the amount of applicable tax credits  
16        that have been certified for a state fiscal year, the following apply:  
17           (1) An applicable tax credit is considered awarded in the state  
18           fiscal year in which the taxpayer can first claim the credit,  
19           determined without regard to any carryforward period or  
20           carryback period.  
21           (2) An applicable tax credit awarded by the corporation before  
22           July 1, 2022, shall be counted toward the aggregate credit  
23           limitation under this section.  
24           (3) If an accelerated credit is awarded under IC 6-3.1-26-15, the  
25           amount counted toward the aggregate credit limitation under this  
26           section for a state fiscal year shall be the amount of the credit for  
27           the taxable year described in subdivision (1) prior to any discount.  
28        (c) Notwithstanding subsection (a), if the corporation determines  
29        that:  
30           (1) an applicable tax credit should be certified in a state fiscal  
31           year; and  
32           (2) certification of the applicable tax credit will result in an  
33           aggregate amount of applicable tax credits certified for that state  
34           fiscal year that exceeds the maximum amount provided in  
35           subsection (a);  
36        the corporation may, after review by the budget committee, certify the  
37        applicable tax credit to the taxpayer.  
38        (d) This section expires December 31, 2032.  
39        SECTION 4. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,  
40        SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41        JULY 1, 2028]: Sec. 2. (a) A county shall provide funding for the  
42        operation of community mental health centers in the amount



1       determined under subsection (b) or, in the case of Marion County for  
2       calendar year 2019, calendar year 2020, and calendar year 2021, the  
3       amount determined under subsection (c).

4       (b) Except as provided in subsection (c), the amount of funding  
5       under subsection (a) for a calendar year is equal to the following:

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

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

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

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

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

32           (A) one (1); or

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

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

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



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

4                   STEP FOUR: Determine the result of the STEP TWO  
5                   amount divided by the STEP THREE amount.

6                   STEP FIVE: Determine the product of the STEP ONE  
7                   amount multiplied by the STEP FOUR result.

8                   STEP SIX: Determine the STEP FIVE amount plus one (1).

9                   The department of local government finance shall verify the maximum  
10                  appropriation calculation under this subsection as part of the  
11                  certification of the county's budget under IC 6-1.1-17. For taxes due  
12                  and payable in 2020, the department of local government finance shall  
13                  calculate the maximum appropriation under this subsection as if the  
14                  taxes were due and payable in 2019.

15                  (c) This subsection applies only in calendar year 2019, calendar year  
16                  2020, and calendar year 2021. In the case of Marion County, the  
17                  amount of funding under subsection (a) for a calendar year is  
18                  determined under this subsection and is equal to the following:

19                  (1) For calendar year 2019, the sum of:

20                   (A) the actual amount of the appropriations by the county for  
21                   community mental health centers under this chapter in 2018;  
22                   plus

23                   (B) the result of thirty-three percent (33%) multiplied by the  
24                   result of:

25                   (i) the amount that would have, except for the application of  
26                   this subsection, applied to the county under subsection (b)  
27                   for calendar year 2019; minus

28                   (ii) the actual amount of the appropriations by the county for  
29                   community mental health centers under this chapter in 2018.

30                  (2) For calendar year 2020, the sum of:

31                   (A) the actual amount of the appropriations by the county for  
32                   community mental health centers under this chapter in 2019;  
33                   plus

34                   (B) the result of sixty-six percent (66%) multiplied by the  
35                   result of:

36                   (i) the amount that would have, except for the application of  
37                   this subsection, applied to the county under subsection (b)  
38                   for calendar year 2020; minus

39                   (ii) the actual amount of the appropriations by the county for  
40                   community mental health centers under this chapter in 2019.

41                  (3) For calendar year 2021, the amount that would have, except  
42                  for the application of this subsection, applied to the county under



1                   subsection (b) for calendar year 2021.

2                   The department of local government finance shall verify the maximum  
3                   appropriation calculation under this subsection as part of the  
4                   certification of the county's budget under IC 6-1.1-17. This subsection  
5                   expires January 1, 2022.

6                   **(d) A county may meet the funding requirements under this**  
7                   **section with any funding source in lieu of or in combination with**  
8                   **property taxes but excluding federal funds.**

9                   **(d) (e) The funding provided by a county under this section shall be**  
10                   **used solely for:**

11                   (1) the operations of community mental health centers serving the  
12                   county; or

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

15                   **(f) Services authorized through a community mental health**  
16                   **center certification shall only be provided in the community mental**  
17                   **health center's designated county or counties.**

18                   **(g) Notwithstanding subsection (f), the division of mental health**  
19                   **and addiction may authorize approval for a community mental**  
20                   **health center to provide school based services outside the**  
21                   **community mental health center's designated service area.**

22                   SECTION 5. IC 12-29-2-16, AS AMENDED BY P.L.59-2024,  
23                   SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24                   JULY 1, 2028]: Sec. 16. (a) A community mental health center that is  
25                   certified by the division of mental health and addiction shall provide an  
26                   annual report to the division of mental health and addiction and to the  
27                   fiscal body and the board of county commissioners of each county  
28                   located in the community mental health center's primary service area.  
29                   The annual report under this section must include the following:

30                   (1) Information concerning the operational and community based  
31                   activities undertaken during the year by the community mental  
32                   health center in each county from which the community mental  
33                   health center received funding under this chapter.

34                   (2) A listing, by the county of patients' residence, of the following  
35                   information:

36                   (A) The total number of patients served by the community  
37                   mental health center.

38                   (B) The total number of patients receiving addiction treatment  
39                   services from the community mental health center.

40                   (C) The total number of patients receiving mental health  
41                   services from the community mental health center.

42                   (D) The total number of patients receiving both addiction



treatment services and mental health services from the community mental health center.

(3) A copy of the most recent financial audit provided to the division of mental health and addiction under 440 IAC 4.1-2-5, including a balance sheet of assets and liabilities, which shall be prepared by an independent certified public accountant.

(4) Demographic information of patients served by the community mental health center, including the following:

(A) The number of adults served and the:

(i) five (5) most common addiction substances; and

(ii) ten (10) most common primary mental health diagnoses; of the adults.

(B) The number of children served and the:

(i) five (5) most common addiction substances: and

(ii) ten (10) most common primary mental health diagnoses; of the children.

(5) The total number of clinical encounters in the preceding fiscal year.

(6) The total number of completed intakes in the preceding fiscal year.

(7) The average time from initial engagement to an offered initial evaluation.

(8) The average time from initial evaluation to an offered follow-up visit.

(9) The community mental health center's performance in comparison to the state's performance on measures identified by the division of mental health and addiction, including client satisfaction and clinical outcomes.

(10) Data related to the connection between a patient and additional county or regional based services, including any of the following, if available:

(A) Self, family, or guardian referrals.

(B) Law enforcement or the criminal justice system.

(C) A hospital or physician.

(D) Child or youth services, including the department of child services, systems of care, or schools.

(E) A twenty-four (24) hour crisis intervention service.

(F) An enhanced call center.

(b) The division of mental health and addiction shall:

(1) specify the format of the annual reports that must be provided by community mental health centers under subsection (a);

(2) determine the measures to be used concerning performance



1 required by subsection (a)(9); and  
2 (3) include a summary of that information in the annual report  
3 prepared by the division under subsection (c).  
4 (c) **A community mental health center that is certified by the**  
5 **division of mental health and addiction shall annually provide to the**  
6 **county fiscal body and board of county commissioners of each county**  
7 **a report that includes the following:**  
8 (1) An overview of the total funding provided to all community  
9 mental health centers during the year under this chapter, including  
10 funding provided by the division for purposes of programs under  
11 this chapter **that includes the following:**  
12 (A) **The total amount of revenue received from the county**  
13 **under this chapter.**  
14 (B) **The total amount of expenditures made from revenue**  
15 **received from the county under this chapter.**  
16 (C) **The total amount of expenditures by category from**  
17 **revenue received from the county under this chapter.**  
18 (D) **The total amount of expenditures on services from**  
19 **revenue received from the county under this chapter, and**  
20 **as a percent of the total revenue received from the county**  
21 **under this chapter.**  
22 (2) A count, by county of residence, of the following concerning  
23 patients served by the community mental health centers under  
24 programs funded under this chapter:  
25 (A) The total number of patients served.  
26 (B) The total number of patients receiving addiction treatment  
27 services.  
28 (C) The total number of patients receiving mental health  
29 services.  
30 (D) The total number of patients receiving both addiction  
31 treatment services and mental health services.  
32 (3) An assessment, specified by the county of patients' residence,  
33 of the overall outcomes of the treatment provided to patients of  
34 the community mental health centers.  
35 (4) A summary of the information provided by community mental  
36 health centers in the annual reports provided under subsection (a),  
37 and an explanation of the differences between the patient count  
38 information provided by the community mental health centers in  
39 those reports and the patient count information included in the  
40 division's report under this subsection.  
41 (d) **The division of mental health and addiction may provide a report**  
42 **required under subsection (c) to the county fiscal body and the board**



1 of county commissioners by publishing the report on the division's  
2 website.

3 SECTION 6. [EFFECTIVE UPON PASSAGE] (a) The legislative  
4 council is urged to assign to the interim study committee on courts  
5 and the judiciary the task of undertaking a comprehensive study  
6 of all court fees and fines, including those under IC 29, IC 31,  
7 IC 32, IC 33, IC 34, and IC 35, and preparing a report on the study  
8 containing:

- 9 (1) a listing of all court fees and fines;
- 10 (2) the total amount of revenue received from all court fees  
11 and fines;
- 12 (3) a listing of the distribution source for all court fees and  
13 fines;
- 14 (4) the court or state government entity that oversees each  
15 distribution of all court fees and fines; and
- 16 (5) any other relevant information on court fees and fines.

17 (b) Before November 1, 2026, the report on the study and all  
18 findings and recommendations of the interim study committee on  
19 courts and the judiciary shall be submitted to the legislative council  
20 in an electronic format under IC 5-14-6.

21 (c) This SECTION expires July 1, 2027.

22 SECTION 7. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)] (a)  
23 Notwithstanding any other provision, the budget agency, subject  
24 to budget committee review, may use the appropriation to the  
25 financial responsibility and opportunity growth fund in  
26 P.L.213-2025 (HEA 1001-2025) or augment the financial  
27 responsibility and opportunity growth fund for the purpose of  
28 providing funding to the Child Care and Development Fund  
29 voucher program administered by the family and social services  
30 administration in addition to the uses for the appropriation as  
31 authorized in P.L.213-2025 (HEA 1001-2025).

32 (b) This SECTION expires July 1, 2027.

33 SECTION 8. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 4, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 40 through 42, begin a new paragraph and insert:

**"SECTION 3. IC 5-28-6-9, AS AMENDED BY P.L.213-2025, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 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 tax credit award is subject to budget committee review:

**(A) beginning after February 1, 2026, and before May 1, 2026, after the first calendar quarter in which the award is made; and**

**(B) after April 30, 2026, at the next budget committee meeting immediately following the date of the tax credit award.**

(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.".

Page 3, delete lines 1 through 32.

Page 14, delete lines 35 through 42.

Delete pages 15 through 16.

Page 17, delete lines 1 through 8, begin a new paragraph and insert:

"SECTION 10. IC 12-29-2-1.2, AS AMENDED BY P.L.182-2009(ss), SECTION 300, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

(1) in the county;

(2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or

(3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a community mental health center.

(2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by one and five hundred four thousandths (1.504).

(d) (c) For purposes of this subsection, "first calendar year" refers to the first calendar year after 2008 in which the county imposes an ad valorem property tax levy for the county general fund to provide financial assistance under this chapter. If a county did not provide financial assistance under this chapter in 2008, the county, for a following calendar year:

(1) may propose a financial assistance budget; and



(2) shall refer its proposed financial assistance budget for the first calendar year to the department of local government finance before the tax levy is advertised.

The ad valorem property tax levy to fund the budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.

SECTION 1. IC 12-29-2-2, AS AMENDED BY P.L.159-2020, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 2. (a) A county ~~shall~~ may provide funding for the operation of community mental health centers. ~~in the amount determined under subsection (b) or, in the case of Marion County for calendar year 2019, calendar year 2020, and calendar year 2021, the amount determined under subsection (c).~~

(b) Except as provided in subsection (c), the amount of funding under subsection (a) for a calendar year is equal 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.

STEP FOUR: Determine the result of the STEP TWO amount divided by the STEP THREE amount.

STEP FIVE: Determine the product of the STEP ONE amount multiplied by the STEP FOUR result.

STEP SIX: Determine the STEP FIVE amount plus one (1).

The department of local government finance shall verify the maximum appropriation calculation under this subsection as part of the certification of the county's budget under IC 6-1.1-17. For taxes due and payable in 2020, the department of local government finance shall calculate the maximum appropriation under this subsection as if the taxes were due and payable in 2019.

(c) This subsection applies only in calendar year 2019, calendar year 2020, and calendar year 2021. In the case of Marion County, the amount of funding under subsection (a) for a calendar year is determined under this subsection and is equal to the following:

(1) For calendar year 2019, the sum of:

(A) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2018; plus

(B) the result of thirty-three percent (33%) multiplied by the result of:

(i) the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2019; minus

(ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2018.

(2) For calendar year 2020, the sum of:

(A) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019; plus



(B) the result of sixty-six percent (66%) multiplied by the result of:

- (i) the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2020; minus
- (ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019.

(3) For calendar year 2021, the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2021.

The department of local government finance shall verify the maximum appropriation calculation under this subsection as part of the certification of the county's budget under IC 6-1-1-17. This subsection expires January 1, 2022.

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

- (1) the operations of community mental health centers serving the county; or
- (2) contributing to the nonfederal share of medical assistance payments to community mental health centers serving the county.

SECTION 11. IC 12-29-2-4, AS AMENDED BY P.L.76-2018, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 4. The amount derived from the calculation under section 2(b) of this chapter or, in the case of Marion County for calendar year 2019, calendar year 2020, and calendar year 2021, the calculation under section 2(c) of this chapter represents the combined maximum appropriation to all centers serving the particular county. If the county provides funding under section 2 of this chapter for the operation of community mental health centers, the allotment to each center shall be apportioned according to the proportion of:

- (1) the county's population residing in the primary service area of each center that is certified by the division of mental health and addiction to serve the county; to
- (2) the total population of the county.

SECTION 12. IC 12-29-2-13, AS AMENDED BY P.L.143-2011, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 13. (a) This section applies to Lake County.

(b) In addition to any other appropriation under this article, the county annually may fund each center serving the county from the county's general fund, in an amount not exceeding the following:

- (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two



thousandths (0.752).

(2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).

(c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of facilities for community based residential programs (as defined in IC 12-7-2-40) for individuals with a mental illness.

(d) Money appropriated under this section must be:

(1) budgeted under IC 6-1.1-17; and

(2) included in the center's budget submitted to the division of mental health and addiction.

(e) Permission for a levy increase in excess of the levy limitations may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.

SECTION 13. IC 12-29-2-20, AS AMENDED BY P.L. 76-2018, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 20. (a) Unless otherwise agreed to by the county and the community mental health center, the county payment to the community mental health center shall be paid by the county treasurer to the treasurer of each community mental health center's board of directors at least as frequently as provided in the following:

(1) One-half(1/2) of the county payment to the community mental health center shall be made on the second Monday in July.

(2) One-half(1/2) of the county payment to the community mental health center shall be made on the second Monday in December.

(b) A county making a payment under this section or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

(c) Payments by the county fiscal body must be in the amounts:

(1) determined by ~~sections 2 through section 4~~ of this chapter; and

(2) authorized by sections 1.2 and 13 of this chapter.

SECTION 13. [EFFECTIVE UPON PASSAGE] (a) **The legislative council is urged to assign to the interim study committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines, including those under IC 29, IC 31,**



**IC 32, IC 33, IC 34, and IC 35, and preparing a report on the study containing:**

- (1) a listing of all court fees and fines;
- (2) the total amount of revenue received from all court fees and fines;
- (3) a listing of the distribution source for all court fees and fines;
- (4) the court or state government entity that oversees each distribution of all court fees and fines; and
- (5) any other relevant information on court fees and fines.

**(b) Before November 1, 2026, the report on the study and all findings and recommendations of the interim study committee on courts and the judiciary shall be submitted to the legislative council in an electronic format under IC 5-14-6.**

**(c) This SECTION expires July 1, 2027.**

**SECTION 14. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)] (a) Notwithstanding any other provision, the budget agency, subject to budget committee review, may use the appropriation to the financial responsibility and opportunity growth fund in P.L.213-2025 (HEA 1001-2025) or augment the financial responsibility and opportunity growth fund for the purpose of providing funding to the Child Care and Development Fund voucher program administered by the family and social services administration in addition to the uses for the appropriation as authorized in P.L.213-2025 (HEA 1001-2025).**

**(b) This SECTION expires July 1, 2027."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 4 as introduced.)

GARTEN, Chairperson

Committee Vote: Yeas 8, Nays 5.

**SB 4—LS 7099/DI 120**



## SENATE MOTION

Mr. President: I move that Senate Bill 4 be amended to read as follows:

Page 14, delete lines 41 through 42, begin a new paragraph and insert:

"SECTION 11. IC 12-29-2-2, AS AMENDED BY P.L.159-2020, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 2. (a) A county shall provide funding for the operation of community mental health centers in the amount determined under subsection (b) or, in the case of Marion County for calendar year 2019, calendar year 2020, and calendar year 2021, the amount determined under subsection (c).

(b) Except as provided in subsection (c), the amount of funding under subsection (a) for a calendar year is equal 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.

STEP FOUR: Determine the result of the STEP TWO amount divided by the STEP THREE amount.

STEP FIVE: Determine the product of the STEP ONE amount multiplied by the STEP FOUR result.

STEP SIX: Determine the STEP FIVE amount plus one (1).

The department of local government finance shall verify the maximum appropriation calculation under this subsection as part of the certification of the county's budget under IC 6-1.1-17. For taxes due and payable in 2020, the department of local government finance shall calculate the maximum appropriation under this subsection as if the taxes were due and payable in 2019.

(c) This subsection applies only in calendar year 2019, calendar year 2020, and calendar year 2021. In the case of Marion County, the amount of funding under subsection (a) for a calendar year is determined under this subsection and is equal to the following:

(1) For calendar year 2019, the sum of:

(A) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2018; plus

(B) the result of thirty-three percent (33%) multiplied by the result of:

(i) the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2019; minus

(ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2018.

(2) For calendar year 2020, the sum of:

(A) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019;



plus

(B) the result of sixty-six percent (66%) multiplied by the result of:

(i) the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2020; minus

(ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019.

(3) For calendar year 2021, the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2021.

The department of local government finance shall verify the maximum appropriation calculation under this subsection as part of the certification of the county's budget under IC 6-1.1-17. This subsection expires January 1, 2022.

**(d) A county may meet the funding requirements under this section with any funding source in lieu of or in combination with property taxes but excluding federal funds.**

~~(e)~~ (e) The funding provided by a county under this section shall be used solely for:

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

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

**(f) Services authorized through a community mental health center certification shall only be provided in the community mental health center's designated county or counties.**

**(g) Notwithstanding subsection (f), the division of mental health and addiction may authorize approval for a community mental health center to provide school based services outside the community mental health center's designated service area.**

SECTION 12. IC 12-29-2-16, AS AMENDED BY P.L.59-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 16. (a) A community mental health center that is certified by the division of mental health and addiction shall provide an annual report to the division of mental health and addiction and to the fiscal body and the board of county commissioners of each county located in the community mental health center's primary service area. The annual report under this section must include the following:

(1) Information concerning the operational and community based activities undertaken during the year by the community mental health center in each county from which the community mental



health center received funding under this chapter.

(2) A listing, by the county of patients' residence, of the following information:

(A) The total number of patients served by the community mental health center.

(B) The total number of patients receiving addiction treatment services from the community mental health center.

(C) The total number of patients receiving mental health services from the community mental health center.

(D) The total number of patients receiving both addiction treatment services and mental health services from the community mental health center.

(3) A copy of the most recent financial audit provided to the division of mental health and addiction under 440 IAC 4.1-2-5, including a balance sheet of assets and liabilities, which shall be prepared by an independent certified public accountant.

(4) Demographic information of patients served by the community mental health center, including the following:

(A) The number of adults served and the:

(i) five (5) most common addiction substances; and

(ii) ten (10) most common primary mental health diagnoses; of the adults.

(B) The number of children served and the:

(i) five (5) most common addiction substances; and

(ii) ten (10) most common primary mental health diagnoses; of the children.

(5) The total number of clinical encounters in the preceding fiscal year.

(6) The total number of completed intakes in the preceding fiscal year.

(7) The average time from initial engagement to an offered initial evaluation.

(8) The average time from initial evaluation to an offered follow-up visit.

(9) The community mental health center's performance in comparison to the state's performance on measures identified by the division of mental health and addiction, including client satisfaction and clinical outcomes.

(10) Data related to the connection between a patient and additional county or regional based services, including any of the following, if available:

(A) Self, family, or guardian referrals.



- (B) Law enforcement or the criminal justice system.
- (C) A hospital or physician.
- (D) Child or youth services, including the department of child services, systems of care, or schools.
- (E) A twenty-four (24) hour crisis intervention service.
- (F) An enhanced call center.

(b) The division of mental health and addiction shall:

- (1) specify the format of the annual reports that must be provided by community mental health centers under subsection (a);
- (2) determine the measures to be used concerning performance required by subsection (a)(9); and
- (3) include a summary of that information in the annual report prepared by the division under subsection (c).

(c) **A community mental health center that is certified by** the division of mental health and addiction shall annually provide to the county fiscal body and board of county commissioners of each county a report that includes the following:

- (1) An overview of the total funding provided to all community mental health centers during the year under this chapter, including funding provided by the division for purposes of programs under this chapter **that includes the following:**
  - (A) **The total amount of revenue received from the county under this chapter.**
  - (B) **The total amount of expenditures made from revenue received from the county under this chapter.**
  - (C) **The total amount of expenditures by category from revenue received from the county under this chapter.**
  - (D) **The total amount of expenditures on services from revenue received from the county under this chapter, and as a percent of the total revenue received from the county under this chapter.**
- (2) A count, by county of residence, of the following concerning patients served by the community mental health centers under programs funded under this chapter:
  - (A) The total number of patients served.
  - (B) The total number of patients receiving addiction treatment services.
  - (C) The total number of patients receiving mental health services.
  - (D) The total number of patients receiving both addiction treatment services and mental health services.
- (3) An assessment, specified by the county of patients' residence,



of the overall outcomes of the treatment provided to patients of the community mental health centers.

(4) A summary of the information provided by community mental health centers in the annual reports provided under subsection (a), and an explanation of the differences between the patient count information provided by the community mental health centers in those reports and the patient count information included in the division's report under this subsection.

~~(d) The division of mental health and addiction may provide a report required under subsection (c) to the county fiscal body and the board of county commissioners by publishing the report on the division's website.".~~

Delete pages 15 through 18.

Page 19, delete lines 1 through 26.

Renumber all SECTIONS consecutively.

(Reference is to SB 4 as printed January 23, 2026.)

MISHLER

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#### SENATE MOTION

Mr. President: I move that Senate Bill 4 be amended to read as follows:

Page 3, delete lines 39 through 42.

Delete pages 4 through 13.

Page 14, delete lines 1 through 40.

Renumber all SECTIONS consecutively.

(Reference is to SB 4 as printed January 23, 2026.)

HOLDMAN

