



February 19, 2026

# ENGROSSED SENATE BILL No. 4

DIGEST OF SB 4 (Updated February 18, 2026 2:40 pm - DI 125)

**Citations Affected:** IC 2-5; IC 4-22; IC 4-29.5; IC 5-28; IC 6-1.1; IC 6-2.5; IC 6-3.1; IC 6-9; IC 12-15; IC 12-29; IC 20-43; IC 32-21; IC 36-4; IC 36-7; 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  
(Continued next page)

**Effective:** Upon passage; January 1, 2025 (retroactive); July 1, 2025 (retroactive); January 1, 2026 (retroactive); July 1, 2026; January 1, 2027; July 1, 2028.

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## Mishler, Garten, Randolph Lonnie M

(HOUSE SPONSORS — SNOW, THOMPSON, PORTER)

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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.  
January 29, 2026, engrossed. Read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

February 2, 2026, read first time and referred to Committee on Ways and Means.  
February 19, 2026, amended, reported — Do Pass.

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ES 4—LS 7099/DI 120



committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines. Provides that real property owned directly or indirectly by certain Indiana nonprofit hospital systems is not exempt from property taxation under certain circumstances and unmet conditions. Provides that certain transfer fee covenants are limited only to transfers that involve the sale of property and do not include transactions where the property is gifted, donated, or transferred. Specifies the contents of an annual report required for each community mental health center. Provides that personal property owned by certain entities remains subject to minimum valuation limitations. Provides that disannexation of certain property is effective upon filing a disannexation petition with the county auditor and recording the petition with the county recorder. Amends the percentage increase in a public library's proposed budget that determines whether the public library's proposed budget is subject to binding review by the applicable county, city, or town, fiscal body. Allows the Delaware County executive to adopt an ordinance to consolidate the functions of a board, bureau, commission, authority, or any other similar entity (former entity) authorized to administer funds received from the Delaware County: (1) innkeeper's tax; or (2) food and beverage tax; into a single, consolidated entity as designated in the consolidating ordinance. Adds certain organizations to the list of organizations for which conducted sales are exempt from state gross retail and use tax. Allows the city of Bedford to impose a food and beverage tax. Requires the Indiana economic development corporation (IEDC) to commit \$35,000,000 in redevelopment tax credits each state fiscal year among development authorities, qualified nonprofit organizations, and certain local economic development organizations that may be granted to taxpayers for qualified investments. Requires that \$15,000,000 of the \$300,000,000 of the IEDC's annual certifiable tax credit amount must be allocated to the small town opportunity initiative (initiative). Establishes the initiative. Amends the venture capital investment tax credit (tax credit) to specify: (1) that certain investment policies of funds that qualify as a "qualified Indiana investment fund" apply only to investable capital, excluding management fees, legal fees, and other expenses incurred in the operation of the fund; (2) that a taxpayer is not prevented from combining individual tax credits of less than \$10,000 for assignment; and (3) qualified business eligibility. Provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program in Indiana. Requires the office of the secretary of family and social services and division of family resources to require a vendor to offer certain technology solutions to prevent theft of SNAP benefits when issuing a request for proposals. Requires the office of the secretary of family and social services to apply to the United States Department of Health and Human Services for an amendment to each home and community based services Medicaid waiver to use a specified asset limit threshold when determining an individual's eligibility for services under a home and community based services Medicaid waiver. Provides that if a Level 2 certified technology park (park): (1) has reached the limit of deposits for a Level 2 park; (2) maintains its certification; and (3) is located within a qualified military base enhancement area; the park shall become a Level 3 park and may receive an additional annual incremental income tax deposit of up to \$250,000 until July 1, 2029. Provides that if a student transferred to a school corporation 10 or fewer days before the 2026 spring count day, the department of education shall consider an additional seven days of instruction after that count date. Provides that if the implementation and compliance costs of a proposed rule are expected to exceed \$500,000 (instead of \$1,000,000) over a two year period, the publisher may not publish the proposed rule until the budget committee has reviewed the rule.



February 19, 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.

## ENGROSSED 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

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- 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 4-22-2-22.7, AS AMENDED BY P.L.93-2024,  
 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2026]: Sec. 22.7. (a) Before complying with section 22.8,  
 30 37.1, or 37.2 of this chapter, an agency shall conduct a regulatory  
 31 analysis for the proposed rule that complies with the requirements of  
 32 this section.
- 33 (b) The office of management and budget shall set standards for the  
 34 criteria, analytical method, treatment technology, economic, fiscal, and  
 35 other background data to be used by an agency in the regulatory  
 36 analysis. The regulatory analysis must be submitted in a form that can  
 37 be easily loaded into commonly used business analysis software and  
 38 published in the Indiana Register using the format jointly developed by  
 39 the publisher, the office of management and budget, and the budget  
 40 agency. The office of management and budget may provide more  
 41 stringent requirements for rules with fiscal impacts and costs above a  
 42 threshold amount determined by the office of management and budget.



1 (c) At a minimum, the regulatory analysis must include findings and  
 2 any supporting data, studies, or analyses prepared for a rule that  
 3 demonstrate compliance with the following:

- 4 (1) The cost benefit requirements in IC 4-3-22-13.  
 5 (2) Each of the standards in section 19.5 of this chapter.  
 6 (3) If applicable, the requirements for fees, fines, and civil  
 7 penalties in section 19.6 of this chapter.  
 8 (4) The annual economic impact on small businesses statement  
 9 required under IC 4-22-2.1-5.  
 10 (5) If applicable, the information required under IC 13-14-9-4.  
 11 (6) A determination whether the combined implementation and  
 12 compliance costs of a proposed rule are at least ~~one million~~  
 13 ~~dollars (\$1,000,000)~~ **five hundred thousand dollars (\$500,000)**  
 14 for businesses, units, and individuals over any two (2) year  
 15 period.  
 16 (7) Any requirement under any other law to conduct an analysis  
 17 of the cost, benefits, economic impact, or fiscal impact of a rule,  
 18 if applicable.

19 (d) The regulatory analysis must include a statement justifying any  
 20 requirement or cost that is:

- 21 (1) imposed on a regulated entity under the rule; and  
 22 (2) not expressly required by:  
 23 (A) the statute authorizing the agency to adopt the rule; or  
 24 (B) any other state or federal law.

25 The statement required under this subsection must include a reference  
 26 to any data, studies, or analyses relied upon by the agency in  
 27 determining that the imposition of the requirement or cost is necessary.

28 (e) Except as provided in subsection (f), if the implementation and  
 29 compliance costs of a proposed rule are expected to exceed the  
 30 threshold set forth in subsection (c)(6), the publisher may not publish  
 31 the proposed rule until the budget committee has reviewed the rule.

32 (f) Subsection (e) does not apply to a proposed rule if the proposed  
 33 rule is:

- 34 (1) a provisional rule that was issued as the result of the governor  
 35 declaring an emergency under IC 10-14-3 and is only valid during  
 36 the emergency;  
 37 (2) a provisional or interim rule that complies only with the  
 38 requirements of a:  
 39 (A) federal law;  
 40 (B) federal regulation; or  
 41 (C) federal grant or loan program; or  
 42 (3) an interim rule that incorporates a new or updated:



- 1 (A) building;  
 2 (B) equipment;  
 3 (C) firefighting;  
 4 (D) safety; or  
 5 (E) professional;  
 6 code.

7 (g) If an agency has made a good faith effort to comply with this  
 8 section, a rule is not invalid solely because the regulatory analysis for  
 9 the proposed rule is insufficient or inaccurate.

10 SECTION 3. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,  
 11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 UPON PASSAGE]: Sec. 2. The Pokagon Indiana Education Fund shall  
 13 be used solely to make payments directly to Indiana ~~public~~ institutions  
 14 of higher learning or workforce development and training programs  
 15 approved by the Indiana Department of Workforce Development for  
 16 eligible Band citizens for direct costs and expenses, such as tuition,  
 17 on-campus room and board, and other direct education expenses. To be  
 18 eligible, a Band citizen must (i) be enrolled in the Band prior to  
 19 benefitting from any payment, and (ii) meet the education or workforce  
 20 provider admission requirements. Priority shall be given to Band  
 21 citizens who are legal residents of the State of Indiana as of the date of  
 22 their application for benefits.

23 SECTION 4. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,  
 24 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate  
 26 amount of applicable tax credits that the corporation may certify:

27 (1) for each state fiscal year ending on or before June 30, 2025,  
 28 for all taxpayers is two hundred fifty million dollars  
 29 (\$250,000,000); and

30 (2) for each state fiscal year ending on or after July 1, 2025, for all  
 31 taxpayers is three hundred million dollars (\$300,000,000), **fifteen**  
 32 **million dollars (\$15,000,000) of which must be allocated to**  
 33 **fund qualified community projects within local government**  
 34 **units under IC 6-3.1-34-24.** Each ~~certification under this~~  
 35 ~~subdivision tax credit award~~ is subject to budget committee  
 36 review:

37 (A) **beginning after February 1, 2026, and before May 1,**  
 38 **2026, after the first calendar quarter in which the award**  
 39 **is made; and**

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



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

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

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

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

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

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

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

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

24 (d) This section expires December 31, 2032.

25 SECTION 5. IC 5-28-44 IS ADDED TO THE INDIANA CODE AS  
26 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
27 PASSAGE]:

28 **Chapter 44. Unmanned Aircraft Systems Test Site**

29 **Sec. 1. In enacting this chapter, it is the intent of the general**  
30 **assembly to advance the state's leadership position in technologies**  
31 **related to unmanned aircraft systems to foster more opportunities**  
32 **for citizens of the state with respect to unmanned aircraft system**  
33 **technology and related industries and to support the federal**  
34 **government in research, development, and testing in support of**  
35 **commerce and national security. The general assembly finds the**  
36 **following:**

37 (1) The FAA announced on January 8, 2026, that Indiana is  
38 designated as a test site for UAS.

39 (2) The FAA notes that test sites help the United States assess  
40 emerging technologies to modernize methods for cargo  
41 delivery, Beyond Visual Line of Sight operations, and multiple  
42 UAS operations while informing safety and security, ushering



1 in the safe commercialization of UAS technologies and fully  
2 integrating UAS into the national airspace system.

3 (3) Indiana's designation as a test site was the result of a  
4 competitive process against other states and a joint  
5 application between the corporation and the operating  
6 partner. The proposal was developed under a contract  
7 between the corporation and the operating partner to pursue  
8 similar federal programs.

9 (4) The FAA test site will require substantial reporting and  
10 compliance activities to comply with federal laws and  
11 regulations governing the federal UAS Test Site Program and  
12 ancillary activities and is desirable for efficiency, clarity, and  
13 transparency to avoid duplicating regulatory schemes at the  
14 federal and state levels.

15 Sec. 2. As used in this chapter, "FAA" means the Federal  
16 Aviation Administration.

17 Sec. 3. As used in this chapter, "operating partner" means the  
18 Indiana based nonprofit corporation that partners with the  
19 corporation to operate and maintain the UAS test site under  
20 supervision of the corporation.

21 Sec. 4. As used in this chapter, "test site" means the Indiana  
22 UAS test site awarded to the corporation by the FAA.

23 Sec. 5. As used in this chapter, "UAS" means an unmanned  
24 aircraft system, including counter UAS and other related entities.

25 Sec. 6. Notwithstanding any other law, during the period that  
26 the test site remains subject to federal requirements as part of the  
27 UAS Test Site Program operated by the FAA, the corporation and  
28 operating partner are not subject to any state law concerning the  
29 following for purposes of operating the test site:

30 (1) State procurement requirements.

31 (2) State contracting requirements.

32 (3) State fee setting requirements.

33 Sec. 7. (a) The operating partner shall establish a bank account  
34 that is separate and segregated from any other bank account under  
35 the operating partner's control and administer all funds for the test  
36 site in the bank account.

37 (b) The operating partner may administer and deposit all  
38 income, earnings, and other receipts accrued through operation of  
39 the test site in the bank account, including any state or federal  
40 funding received through a contract, or as a grant or loan.

41 (c) The operating partner may expend money from the bank  
42 account for operations of the test site, including costs for



1 administration, staffing, equipment, test site activities,  
2 communications, and marketing. The operating partner may  
3 transfer revenue from the bank account to the corporation or any  
4 other state agency to be used for the following purposes:

5 (1) To procure UAS technology for use by the state.

6 (2) To pursue federal funding for activities related to UAS  
7 that benefit the state.

8 (3) To support economic development activities related to  
9 UAS research or manufacturing.

10 (d) The operating partner shall keep a full and complete record  
11 of funds received and disbursed by the operating partner. The  
12 report is subject to audit and must be submitted to the corporation  
13 board not later than July 1 of each year, or more often as required  
14 by the corporation.

15 Sec. 8. The state examiner, or deputy examiners, field  
16 examiners, or private examiners, shall make a full and complete  
17 report of the records and receipts of the test site.

18 Sec. 9. The operating partner shall do the following:

19 (1) Respond to requests from local, regional, or state  
20 economic development organizations for assistance with  
21 economic activities intended to attract companies, or to  
22 develop clusters of activity, within the UAS sector.

23 (2) Respond to requests from state agencies for expertise  
24 related to the procurement of UAS technology.

25 (3) Respond to requests from state agencies for assistance  
26 with the development of new UAS test activities within  
27 particular economic sectors.

28 Sec. 10. The operating partner is responsible for carrying out  
29 the FAA's requirements and obligations for the safe operation and  
30 maintenance of the test site and for managing the day to day  
31 operations of the test site under supervision of the corporation.

32 Sec. 11. (a) Notwithstanding any other law, the corporation may  
33 enter into an agreement with the operating partner to fulfill the  
34 requirements of this chapter and any other applicable requirement  
35 from the FAA or another federal agency.

36 (b) The corporation may dedicate resources as determined  
37 necessary and appropriate by the corporation to support the  
38 implementation and ongoing operation of the test site, including  
39 staff support, administrative support, and direct financial support.

40 Sec. 12. Not later than December 1, 2026, and, beginning after  
41 December 31, 2026, not later than June 1 and December 1 of each  
42 calendar year, the operating partner and the corporation shall



1 submit a written report for review to the budget committee  
2 concerning the following:

- 3 (1) An itemization of each of the expenditures of money from  
4 the bank account established under section 7 of this chapter  
5 since the last report to the budget committee.  
6 (2) Anticipated expenditures for the subsequent six (6)  
7 months.  
8 (3) Funding sources for expenditures.  
9 (4) Any other information requested by the budget committee.

10 SECTION 6. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025,  
11 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 45. (a) This subsection  
13 applies only to a taxpayer's assessable depreciable personal property  
14 that is placed in service on or before January 1, 2025. Except as  
15 provided in subsections (b) and (c), for each assessment date, the total  
16 valuation of a taxpayer's assessable depreciable personal property in a  
17 single taxing district may not be less than thirty percent (30%) of the  
18 adjusted cost of all the taxpayer's assessable depreciable property in the  
19 taxing district.

20 (b) The limitation set forth in subsection (a) is to be applied before  
21 any special adjustment for abnormal obsolescence. The limitation does  
22 not apply to equipment not placed in service, special tooling, and  
23 permanently retired depreciable personal property.

24 (c) Depreciable personal property that is placed in service after  
25 January 1, 2025, is not subject to the minimum valuation limitation  
26 under this section. However, if depreciable personal property:

- 27 (1) is placed in service after January 1, 2025, and is located in an  
28 existing tax increment allocation area for which the base assessed  
29 value is determined before January 1, 2025; or  
30 (2) is owned by a light, heat, or power company, or a utility  
31 company owned, operated, or held in trust by a consolidated  
32 city;

33 the depreciable personal property remains subject to the minimum  
34 valuation limitations under this section.

35 SECTION 7. IC 6-1.1-10-16, AS AMENDED BY P.L.230-2025,  
36 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JANUARY 1, 2027]: Sec. 16. (a) All or part of a building is exempt  
38 from property taxation if it is owned, occupied, and used by a person  
39 for educational, literary, scientific, religious, or charitable purposes.

40 (b) A building is exempt from property taxation if it is owned,  
41 occupied, and used by a town, city, township, or county for educational,  
42 literary, scientific, fraternal, or charitable purposes.



1 (c) A tract of land, including the campus and athletic grounds of an  
2 educational institution, is exempt from property taxation if:

3 (1) a building that is exempt under subsection (a) or (b) is situated  
4 on it;

5 (2) a parking lot or structure that serves a building referred to in  
6 subdivision (1) is situated on it; or

7 (3) the tract:

8 (A) is owned by a nonprofit entity established for the purpose  
9 of retaining and preserving land and water for their natural  
10 characteristics;

11 (B) does not exceed five hundred (500) acres; and

12 (C) is not used by the nonprofit entity to make a profit.

13 (d) A tract of land is exempt from property taxation if:

14 (1) it is purchased for the purpose of erecting a building that is to  
15 be owned, occupied, and used in such a manner that the building  
16 will be exempt under subsection (a) or (b); and

17 (2) not more than four (4) years after the property is purchased,  
18 and for each year after the four (4) year period, the owner  
19 demonstrates substantial progress and active pursuit towards the  
20 erection of the intended building and use of the tract for the  
21 exempt purpose. To establish substantial progress and active  
22 pursuit under this subdivision, the owner must prove the existence  
23 of factors such as the following:

24 (A) Organization of and activity by a building committee or  
25 other oversight group.

26 (B) Completion and filing of building plans with the  
27 appropriate local government authority.

28 (C) Cash reserves dedicated to the project of a sufficient  
29 amount to lead a reasonable individual to believe the actual  
30 construction can and will begin within four (4) years.

31 (D) The breaking of ground and the beginning of actual  
32 construction.

33 (E) Any other factor that would lead a reasonable individual to  
34 believe that construction of the building is an active plan and  
35 that the building is capable of being completed within eight (8)  
36 years considering the circumstances of the owner.

37 If the owner of the property sells, leases, or otherwise transfers a tract  
38 of land that is exempt under this subsection, the owner is liable for the  
39 property taxes that were not imposed upon the tract of land during the  
40 period beginning January 1 of the fourth year following the purchase  
41 of the property and ending on December 31 of the year of the sale,  
42 lease, or transfer. The county auditor of the county in which the tract



1 of land is located may establish an installment plan for the repayment  
 2 of taxes due under this subsection. The plan established by the county  
 3 auditor may allow the repayment of the taxes over a period of years  
 4 equal to the number of years for which property taxes must be repaid  
 5 under this subsection.

6 (e) Personal property is exempt from property taxation if it is owned  
 7 and used in such a manner that it would be exempt under subsection (a)  
 8 or (b) if it were a building.

9 (f) A hospital's property that is exempt from property taxation under  
 10 subsection (a), (b), or (e) shall remain exempt from property taxation  
 11 even if the property is used in part to furnish goods or services to  
 12 another hospital whose property qualifies for exemption under this  
 13 section.

14 (g) Property owned by a shared hospital services organization that  
 15 is exempt from federal income taxation under Section 501(c)(3) or  
 16 501(e) of the Internal Revenue Code is exempt from property taxation  
 17 if it is owned, occupied, and used exclusively to furnish goods or  
 18 services to a hospital whose property is exempt from property taxation  
 19 under subsection (a), (b), or (e).

20 (h) This section does not exempt from property tax an office or a  
 21 practice of a physician or group of physicians that is owned by a  
 22 hospital licensed under IC 16-21-2 or other property that is not  
 23 substantially related to or supportive of the inpatient facility of the  
 24 hospital unless the office, practice, or other property:

- 25 (1) provides or supports the provision of charity care (as defined  
 26 in IC 16-18-2-52.5), including providing funds or other financial  
 27 support for health care services for individuals who are indigent  
 28 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or  
 29 (2) provides or supports the provision of community benefits (as  
 30 defined in IC 16-21-9-1), including research, education, or  
 31 government sponsored indigent health care (as defined in  
 32 IC 16-21-9-2).

33 However, participation in the Medicaid or Medicare program alone  
 34 does not entitle an office, practice, or other property described in this  
 35 subsection to an exemption under this section.

36 (i) A tract of land or a tract of land plus all or part of a structure on  
 37 the land is exempt from property taxation if:

- 38 (1) the tract is acquired for the purpose of erecting, renovating, or  
 39 improving a single family residential structure that is to be given  
 40 away or sold:  
 41 (A) in a charitable manner;  
 42 (B) by a nonprofit organization; and



- 1 (C) to low income individuals who will:
- 2 (i) use the land as a family residence; and
- 3 (ii) not have an exemption for the land under this section;
- 4 (2) the tract does not exceed three (3) acres; and
- 5 (3) the tract of land or the tract of land plus all or part of a
- 6 structure on the land is not used for profit while exempt under this
- 7 section.
- 8 (j) An exemption under subsection (i) terminates when the property
- 9 is conveyed by the nonprofit organization to another owner.
- 10 (k) When property that is exempt in any year under subsection (i) is
- 11 conveyed to another owner, the nonprofit organization receiving the
- 12 exemption must file a certified statement with the auditor of the county,
- 13 notifying the auditor of the change not later than sixty (60) days after
- 14 the date of the conveyance. The county auditor shall immediately
- 15 forward a copy of the certified statement to the county assessor. A
- 16 nonprofit organization that fails to file the statement required by this
- 17 subsection is liable for the amount of property taxes due on the
- 18 property conveyed if it were not for the exemption allowed under this
- 19 chapter.
- 20 (l) If property is granted an exemption in any year under subsection
- 21 (i) and the owner:
- 22 (1) fails to transfer the tangible property within eight (8) years
- 23 after the assessment date for which the exemption is initially
- 24 granted; or
- 25 (2) transfers the tangible property to a person who:
- 26 (A) is not a low income individual; or
- 27 (B) does not use the transferred property as a residence for at
- 28 least one (1) year after the property is transferred;
- 29 the person receiving the exemption shall notify the county recorder and
- 30 the county auditor of the county in which the property is located not
- 31 later than sixty (60) days after the event described in subdivision (1) or
- 32 (2) occurs. The county auditor shall immediately inform the county
- 33 assessor of a notification received under this subsection.
- 34 (m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not
- 35 later than the date that the next installment of property taxes is due, an
- 36 amount equal to the sum of the following:
- 37 (1) The total property taxes that, if it were not for the exemption
- 38 under subsection (i), would have been levied on the property in
- 39 each year in which an exemption was allowed.
- 40 (2) Interest on the property taxes at the rate of ten percent (10%)
- 41 per year.
- 42 (n) The liability imposed by subsection (m) is a lien upon the



1 property receiving the exemption under subsection (i). An amount  
 2 collected under subsection (m) shall be collected as an excess levy. If  
 3 the amount is not paid, it shall be collected in the same manner that  
 4 delinquent taxes on real property are collected.

5 (o) Property referred to in this section shall be assessed to the extent  
 6 required under IC 6-1.1-11-9.

7 (p) This subsection applies to assessment dates occurring before  
 8 January 1, 2026. A for-profit provider of early childhood education  
 9 services to children who are at least four (4) but less than six (6) years  
 10 of age on the annual assessment date may receive the exemption  
 11 provided by this section for property used for educational purposes  
 12 only if all the requirements of section 46 of this chapter are satisfied.  
 13 A for-profit provider of early childhood education services that  
 14 provides the services only to children younger than four (4) years of  
 15 age may not receive the exemption provided by this section for  
 16 property used for educational purposes.

17 (q) This subsection applies to assessment dates occurring after  
 18 December 31, 2025. Property used by a for-profit provider of early  
 19 childhood education services to children who are less than six (6) years  
 20 of age on the annual assessment date may receive the exemption  
 21 provided by this section for property used for educational purposes  
 22 only if all the requirements of section 46 of this chapter are satisfied.

23 **(r) This subsection applies only to an Indiana nonprofit hospital**  
 24 **system (as defined in IC 16-21-18-2). Notwithstanding any other**  
 25 **law, real property directly or indirectly owned by the nonprofit**  
 26 **hospital system purchased prior to July 1, 2026, is not exempt from**  
 27 **property taxation if, after ten (10) years from the date of purchase**  
 28 **of the property by the nonprofit hospital system, the property**  
 29 **directly or indirectly owned by the nonprofit hospital system is not**  
 30 **being used for the performance of revenue producing health care**  
 31 **services by the nonprofit hospital system that directly or indirectly**  
 32 **owns the property. For purposes of this subsection, "health care**  
 33 **services" means the:**

- 34 (1) assessment;
- 35 (2) diagnosis;
- 36 (3) evaluation;
- 37 (4) consultation;
- 38 (5) treatment; and
- 39 (6) monitoring;

40 of an entity's patients. The term includes medical education,  
 41 preventative care, rehabilitative services, long term care, and  
 42 administrative services that are necessary for the provision of a



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patient's care.

**(s) This subsection applies only to an Indiana nonprofit hospital system (as defined in IC 16-21-18-2). Real property directly or indirectly owned by the nonprofit hospital system purchased after June 30, 2026, is not exempt from property taxation if the property directly or indirectly owned by the nonprofit hospital system is not being used for the performance of revenue producing health care services by the nonprofit hospital system that directly or indirectly owns the property. For purposes of this subsection, "health care services" has the meaning set forth in subsection (r).**

**(t) The disallowance of an exemption under subsection (r) does not apply to a parking garage, parking lot, equipment facility area, or any other similar property that actively serves a nonprofit hospital system. A determination under this subsection as to whether a parking garage, parking lot, equipment facility area, or any other similar property actively serves a nonprofit hospital system shall be made by the board of zoning appeals with jurisdiction over the property.**

**(u) This subsection applies only to property taxes that are first due and payable in calendar years 2025 and 2026. All or part of a building is deemed to serve a charitable purpose and is exempt from property taxation if it is owned by a nonprofit entity that is:**

- (1) registered as a continuing care retirement community under IC 23-2-4 and charges an entry fee of not more than five hundred thousand dollars (\$500,000) per unit;**
- (2) defined as a small house health facility under IC 16-18-2-331.9;**
- (3) licensed as a health care or residential care facility under IC 16-28; or**
- (4) licensed under IC 31-27 and designated as a qualified residential treatment provider that provides services under a contract with the department of child services.**

This subsection expires January 1, 2027.

**SECTION 8. IC 6-1.1-17-20.3, AS AMENDED BY P.L.230-2025, SECTION 44, IS AMENDED TO READ AS FOLLOWS [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~~**



1 ~~result equal to or more than fifty percent (50%) of~~

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

5 ~~(B) one (+).~~

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

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

14 (c) If:

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

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

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

29 (d) If subsection (c) does not apply or the public library's territory  
 30 covers more than one (1) county, the governing body of the public  
 31 library shall submit its proposed budget and property tax levy to the  
 32 county fiscal body in the county where the public library has the most  
 33 assessed valuation. The proposed budget and levy shall be submitted  
 34 to the county fiscal body in the manner prescribed by the department  
 35 of local government finance before September 2 of a year.

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

40 (f) If a public library fails to file the information required in  
 41 subsection (c) or (d), whichever applies, with the appropriate fiscal  
 42 body by the time prescribed by this section, when calculating the



1 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for  
 2 the public library for the ensuing budget year, instead of multiplying  
 3 the maximum levy growth quotient determined under  
 4 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by  
 5 the public library's maximum permissible ad valorem property tax levy  
 6 for the preceding calendar year as prescribed in STEP TWO of  
 7 IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a),  
 8 the public library's maximum permissible ad valorem property tax levy  
 9 for the preceding calendar year must instead be multiplied by the result  
 10 of the following:

11 STEP ONE: Determine:

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

14 (B) one (1).

15 STEP TWO: Multiply:

16 (A) the STEP ONE result; by

17 (B) eight-tenths (0.8).

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

19 However, if the public library files the information as required in  
 20 subsection (c) or (d), whichever applies, for the budget year  
 21 immediately following the budget year for which the formula under this  
 22 subsection is applied, when calculating the maximum ad valorem  
 23 property tax levy under IC 6-1.1-18.5-3(a) for the public library for the  
 24 subsequent budget year, the public library's maximum permissible ad  
 25 valorem property tax levy must be calculated as if the formula under  
 26 this subsection had not been applied for the affected budget year.

27 (g) If the appropriate fiscal body fails to complete the requirements  
 28 of subsection (e) before the adoption deadline in section 5 of this  
 29 chapter for any public library subject to this section, when calculating  
 30 the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a)  
 31 for the city, town, or county for the ensuing budget year, instead of  
 32 multiplying the maximum levy growth quotient determined under  
 33 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by  
 34 the city's, town's, or county's maximum permissible ad valorem  
 35 property tax levy for the preceding calendar year as prescribed in STEP  
 36 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of  
 37 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible  
 38 ad valorem property tax levy for the preceding calendar year must  
 39 instead be multiplied by the result of the following:

40 STEP ONE: Determine:

41 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP  
 42 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 city, town, or county files the information as required  
 7 in subsection (e) for the budget year immediately following the budget  
 8 year for which the formula under this subsection is applied, when  
 9 calculating the maximum ad valorem property tax levy under  
 10 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent  
 11 budget year, the unit's maximum permissible ad valorem property tax  
 12 levy must be calculated as if the formula under this subsection had not  
 13 been applied for the affected budget year.  
 14 SECTION 9. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023,  
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2026]: Sec. 26. (a) Sales of tangible personal property by an  
 17 organization are exempt from the state gross retail tax if either of the  
 18 following apply:  
 19 (1) The organization:  
 20 (A) is described in section 25(a)(1)(A) through 25(a)(1)(C) of  
 21 this chapter, section 25(a)(1)(D)(i) through 25(a)(1)(D)(iii) of  
 22 this chapter, or section 25(a)(1)(D)(ix) of this chapter;  
 23 (B) makes the sale to make money to carry on a not-for-profit  
 24 purpose; and  
 25 (C) did not make more than one hundred thousand dollars  
 26 (\$100,000) in sales in the current calendar year or the previous  
 27 calendar year.  
 28 (2) The organization:  
 29 (A) is described in section 25(a)(1)(D)(iv) through  
 30 25(a)(1)(D)(viii) of this chapter; ~~or~~  
 31 (B) is a youth organization focused on agriculture;  
 32 **(C) is a youth organization listed in 36 U.S.C. 101 et. seq.**  
 33 **that:**  
 34 **(i) has an educational purpose; and**  
 35 **(ii) promotes patriotism and civic involvement; or**  
 36 **(D) is an organization that:**  
 37 **(i) is exempt from federal income taxation under Section**  
 38 **501(c)(3) of the Internal Revenue Code; and**  
 39 **(ii) promotes youth shooting sports.**  
 40 Once sales of an organization that meets the qualifications under  
 41 subdivision (1), but does not meet the qualifications under subdivision  
 42 (2), exceed the amount described in subdivision (1), the organization



1 is required to collect state gross retail tax on sales on an ongoing basis  
 2 for the remainder of the calendar year and each calendar year thereafter  
 3 until the organization makes less than one hundred thousand dollars  
 4 (\$100,000) in sales for two (2) consecutive years.

5 (b) For purposes of subsection (a), the sales of an organization  
 6 include sales made by all units operating under the organization's  
 7 registration pursuant to section 25(c) of this chapter.

8 (c) If the qualifications of subsection (a) are not met, sales of  
 9 tangible personal property by an organization described in section  
 10 25(a)(1) of this chapter are exempt from the state gross retail tax, if:

11 (1) the organization is not operated predominantly for social  
 12 purposes;

13 (2) the property sold is designed and intended primarily either for  
 14 the organization's educational, cultural, or religious purposes, or  
 15 for improvement of the work skills or professional qualifications  
 16 of the organization's members; and

17 (3) the property sold is not designed or intended primarily for use  
 18 in carrying on a private or proprietary business.

19 (d) Sales of tangible personal property by a public library, or a  
 20 charitable organization described in section 25(a)(1) of this chapter  
 21 formed to support a public library, are exempt from the state gross  
 22 retail tax if the property sold consists of:

23 (1) items in the library's circulated and publicly available  
 24 collections, including items from the library's holdings; or

25 (2) items that would typically be included in the library's  
 26 circulated and publicly available collections and that are donated  
 27 by individuals or organizations to a public library or to a  
 28 charitable organization described in section 25(a)(1) of this  
 29 chapter formed to support a public library.

30 The exemption provided by this subsection does not apply to any other  
 31 sales of tangible personal property by a public library.

32 (e) The exemption provided by this section does not apply to an  
 33 accredited college or university's sales of books, stationery,  
 34 haberdashery, supplies, or other property.

35 (f) To obtain the exemption provided by this section, a taxpayer  
 36 must follow the procedures set forth in section 25(c) of this chapter.

37 SECTION 10. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011,  
 38 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2026]: Sec. 7. (a) The Indiana economic development  
 40 corporation shall certify that a business is a qualified Indiana business  
 41 if the corporation determines that the business:

42 (1) has its headquarters in Indiana;



- 1 (2) is primarily focused on professional motor vehicle racing,  
 2 commercialization of research and development, technology  
 3 transfers, or the application of new technology, or is determined  
 4 by the Indiana economic development corporation to have  
 5 significant potential to:
- 6 (A) bring substantial capital into Indiana;
  - 7 (B) create jobs;
  - 8 (C) diversify the business base of Indiana; or
  - 9 (D) significantly promote the purposes of this chapter in any  
 10 other way;
- 11 (3) has had average annual revenues of less than ten million  
 12 dollars (\$10,000,000) in the two (2) years preceding the year in  
 13 which the business received qualified investment capital from a  
 14 taxpayer claiming a credit under this chapter;
- 15 (4) has:
- 16 (A) at least fifty percent (50%) of its employees residing in  
 17 Indiana; or
  - 18 (B) at least seventy-five percent (75%) of its assets located in  
 19 Indiana; and
- 20 (5) is not engaged in a business involving:
- 21 (A) real estate;
  - 22 (B) real estate development;
  - 23 (C) insurance;
  - 24 (D) professional services provided by an accountant, a lawyer,  
 25 or a physician;
  - 26 (E) retail sales, except when:
    - 27 (i) the primary purpose of the business is the development  
 28 or support of electronic commerce using the Internet; or
    - 29 (ii) **the business is engaged in retail sales as a method to  
 30 sell a unique product that the business developed, for  
 31 which the business holds patents, or of which the  
 32 business otherwise has ownership; or**
  - 33 (F) oil and gas exploration.
- 34 (b) A business shall apply to be certified as a qualified Indiana  
 35 business on a form prescribed by the Indiana economic development  
 36 corporation.
- 37 (c) If a business is certified as a qualified Indiana business under  
 38 this section, the Indiana economic development corporation shall  
 39 provide a copy of the certification to the investors in the qualified  
 40 Indiana business for inclusion in tax filings.
- 41 (d) Except as provided in subsection (e), the Indiana economic  
 42 development corporation may impose an application fee of not more



1 than two hundred dollars (\$200).

2 (e) The Indiana economic development corporation may not impose  
3 the application fee authorized by subsection (d) for applications  
4 submitted during the period beginning July 1, 2011, and ending June  
5 30, 2013.

6 SECTION 11. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,  
7 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development  
9 corporation may certify that an investment fund is a qualified Indiana  
10 investment fund if the corporation determines that the fund meets the  
11 definition in section 2.5 of this chapter and the requirements in  
12 subsection (b).

13 (b) The Indiana economic development corporation may only certify  
14 a fund as a qualified Indiana investment fund if the fund makes  
15 investments according to a policy that:

16 (1) requires eligible companies to be primarily focused on the  
17 commercialization of research and development, technology  
18 transfer, or application of new technology; and

19 (2) prioritizes investments in companies that:

20 (A) have received a grant, loan, or other investment funds  
21 provided by the Indiana twenty-first century research and  
22 technology fund established by IC 5-28-16-2; or

23 (B) maintain a substantial presence in Indiana.

24 **The policy referred to in this subsection shall apply only to**  
25 **investable capital in the fund, excluding management fees, legal**  
26 **fees, and other expenses incurred in the operation of the fund.**

27 (c) An investment fund must apply to be certified as a qualified  
28 Indiana investment fund on a form prescribed by the Indiana economic  
29 development corporation.

30 (d) If an investment fund is certified as a qualified Indiana  
31 investment fund under this section, the Indiana economic development  
32 corporation shall provide a copy of the certification to the investors in  
33 the qualified Indiana investment fund for inclusion in tax filings.

34 SECTION 12. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,  
35 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined  
37 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year  
38 exceeds the taxpayer's state tax liability for that taxable year, the  
39 taxpayer may carry the excess credit over for a period not to exceed the  
40 taxpayer's following five (5) taxable years. The amount of the credit  
41 carryover from a taxable year shall be reduced to the extent that the  
42 carryover is used by the taxpayer to obtain a credit under this chapter



1 for any subsequent taxable year. A taxpayer is not entitled to a  
2 carryback or a refund of any unused credit amount.

3 (b) If the corporation certifies a credit for an investment that is made  
4 after June 30, 2020, and before July 1, 2029, the taxpayer may assign  
5 all or part of the credit to which the taxpayer is entitled under this  
6 chapter, subject to the limitations set forth in subsection (c).

7 (c) The following apply to the assignment of a credit under this  
8 chapter:

9 (1) A taxpayer may not assign all or part of a credit or credits to  
10 a particular person in amounts that are less than ten thousand  
11 dollars (\$10,000).

12 (2) Before a credit may be assigned, the taxpayer must notify the  
13 corporation of the assignment of the credit in the manner  
14 prescribed by the corporation.

15 (3) An assignment of a credit must be in writing, and both the  
16 taxpayer and assignee shall report the assignment on the  
17 taxpayer's and assignee's state tax returns for the year in which the  
18 assignment is made, in the manner prescribed by the department.

19 (4) Once a particular credit or credits are assigned, the assignee  
20 may not assign all or part of the credit or credits to another  
21 person.

22 (5) A taxpayer may not receive value in connection with an  
23 assignment under this section that exceeds the value of that part  
24 of the credit assigned.

25 **Nothing in this subsection shall prevent a taxpayer from combining**  
26 **individual credits of less than ten thousand dollars (\$10,000) for**  
27 **assignment.**

28 (d) The corporation shall collect and compile data on the  
29 assignments of tax credits under this chapter and determine the  
30 effectiveness of each assignment in getting projects completed. The  
31 corporation shall report its findings under this subsection to the  
32 legislative council in an electronic format under IC 5-14-6 before  
33 November 1, 2022. This subsection expires January 1, 2023.

34 SECTION 13. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA  
35 CODE AS A NEW SECTION TO READ AS FOLLOWS  
36 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the**  
37 **redevelopment and rehabilitation of property in Indiana that**  
38 **promotes regional collaboration and long term strategic planning,**  
39 **the corporation shall commit thirty-five million dollars**  
40 **(\$35,000,000) in tax credits under this chapter each state fiscal year**  
41 **among:**

42 (1) development authorities;



- 1           **(2) qualified nonprofit organizations; and**  
 2           **(3) local economic development organizations that:**  
 3               **(A) represent a single unit or multiple units; and**  
 4               **(B) have an economically significant impact, as determined**  
 5               **by the corporation;**

6           **which may subsequently be awarded by the corporation at the**  
 7           **request of an entity described in subdivisions (1) through (3) to a**  
 8           **taxpayer proposing a qualified investment in a qualified**  
 9           **redevelopment site. The corporation shall consider the regional**  
 10           **significance of a project when awarding the tax credits under this**  
 11           **subsection.**

12           **(b) Not later than January 1, 2031, the corporation shall present**  
 13           **a report to the budget committee concerning the tax credits**  
 14           **awarded under this section, including the status of the projects for**  
 15           **which tax credits were awarded under this section and the regional**  
 16           **impact of the projects.**

17           SECTION 14. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA  
 18           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 19           [EFFECTIVE JULY 1, 2026]: **Sec. 2.1. As used in this chapter,**  
 20           **"development authority" refers to a regional development**  
 21           **authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or**  
 22           **IC 36-7.7-3-1.**

23           SECTION 15. IC 6-3.1-34-5.5 IS ADDED TO THE INDIANA  
 24           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 25           [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. As used in this chapter,**  
 26           **"qualified nonprofit organization" means a nonprofit organization**  
 27           **that:**

- 28               **(1) was established and obtained tax exempt status under**  
 29               **Section 501 of the Internal Revenue Code before January 1,**  
 30               **2016, and has since maintained tax exempt status under**  
 31               **Section 501 of the Internal Revenue Code;**  
 32               **(2) was formed to support economic development across the**  
 33               **region; and**  
 34               **(3) does not represent a single interest group or local unit or**  
 35               **units within a single county.**

36           SECTION 16. IC 6-3.1-34-24 IS ADDED TO THE INDIANA  
 37           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 38           [EFFECTIVE JULY 1, 2026]: **Sec. 24. (a) As used in this section,**  
 39           **"downtown area" means:**

- 40               **(1) the central business district of a city or town; or**  
 41               **(2) any commercial or mixed use area within a neighborhood**  
 42               **of a city or town that has traditionally served, since the**



- 1           founding of the community, as the retail service and  
2           communal focal point within the community.
- 3           (b) As used in this section, "initiative" means the small town  
4           opportunity initiative established by subsection (f).
- 5           (c) As used in this section, "nonprofit taxpayer" means a  
6           taxpayer:
- 7           (1) that is tax exempt under Section 501 of the Internal  
8           Revenue Code;
- 9           (2) for which some or all of its mission is to revitalize the  
10          community it serves; and
- 11          (3) whose leadership includes primarily members of the  
12          community it serves.
- 13          (d) As used in this section, "qualified community project"  
14          means a project that:
- 15          (1) is located in the:
- 16               (A) downtown area of a city or a town with a population of  
17               less than thirty thousand (30,000);
- 18               (B) downtown area of a city or a town that is located in a  
19               county with a population of less than seventy-five thousand  
20               (75,000); or
- 21               (C) unincorporated territory of a county with a population  
22               of less than seventy-five thousand (75,000) if the site of the  
23               project is an area of the unincorporated territory that  
24               serves as the retail service and communal focal point  
25               within the unincorporated territory;
- 26          (2) involves the:
- 27               (A) historic preservation;
- 28               (B) redevelopment; or
- 29               (C) rehabilitation;
- 30          of real property; and
- 31          (3) has a total project budget of at least fifteen million dollars  
32          (\$15,000,000).
- 33          (e) As used in this section, "qualified investment" means the  
34          amount of the taxpayer's expenditures that are:
- 35               (1) for the redevelopment or rehabilitation of real property as  
36               part of a qualified community project; and
- 37               (2) approved by the corporation before the expenditure is  
38               made.
- 39          (f) The small town opportunity initiative is established.
- 40          (g) The corporation shall administer the initiative.
- 41          (h) The purpose of the initiative is to undertake qualified  
42          community projects within local government units to do the



1 following:  
 2 (1) Advance historic preservation.  
 3 (2) Redevelop or rehabilitate distressed buildings or  
 4 underutilized property.  
 5 (3) Redevelop or rehabilitate sites where distressed buildings  
 6 once stood.  
 7 (i) A for-profit taxpayer undertaking a qualified community  
 8 project under the initiative is entitled to a redevelopment tax credit  
 9 under this chapter equal to twenty percent (20%) of the taxpayer's  
 10 cost of the project.  
 11 (j) A nonprofit taxpayer undertaking a qualified community  
 12 project under the initiative is entitled to a redevelopment tax credit  
 13 under this chapter equal to thirty percent (30%) of the taxpayer's  
 14 cost of the project.  
 15 (k) Qualified community projects undertaken under this section  
 16 are not subject to any statutory or administrative repayment  
 17 obligation.  
 18 (l) Notwithstanding any other provision of this section, for a  
 19 nonprofit taxpayer undertaking a qualified community project  
 20 under this section, expenditures incurred to acquire, hold, or  
 21 prepare real property for redevelopment or rehabilitation before  
 22 the date the taxpayer's initial application or application for  
 23 certification is approved by the corporation shall be included in the  
 24 taxpayer's qualified investment if:  
 25 (1) the expenditures were incurred for the primary purpose  
 26 of future redevelopment consistent with subsection (h);  
 27 (2) the nonprofit taxpayer obtained site control in furtherance  
 28 of a locally supported redevelopment effort; and  
 29 (3) the corporation determines, as part of the application or  
 30 certification process, that inclusion of such expenditures is in  
 31 the public interest and supportive of early stage community  
 32 redevelopment efforts.  
 33 (m) For purposes of determining whether an expenditure is  
 34 included as part of a qualified investment under subsection (l), an  
 35 expenditure shall be treated as if it were approved by the  
 36 corporation as of the date the expenditure was originally incurred.  
 37 SECTION 17. IC 6-9-30 IS ADDED TO THE INDIANA CODE AS  
 38 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
 39 1, 2026]:  
 40 Chapter 30. Delaware County Hospitality Tax Board  
 41 Consolidation Ordinance  
 42 Sec. 0.5. This chapter applies only to Delaware County.



1           **Sec. 1.** As used in this chapter, "consolidated entity" means a  
 2 board resulting from the adoption of an ordinance under section  
 3 4 of this chapter to consolidate the functions of each former entity  
 4 into the consolidated entity.

5           **Sec. 2.** As used in this chapter, "executive" has the meaning set  
 6 forth in IC 36-1-2-5.

7           **Sec. 3.** As used in this chapter, "former entity" means a board,  
 8 bureau, commission, authority, or any other similar entity  
 9 authorized to administer funds received from the county:

10           (1) innkeeper's tax imposed under IC 6-9-18; or

11           (2) food and beverage tax imposed under IC 6-9-21.

12           **Sec. 4.** The county executive may adopt an ordinance to  
 13 consolidate the functions of a former entity with respect to the  
 14 administration of funds received from the county:

15           (1) innkeeper's tax imposed under IC 6-9-18; or

16           (2) food and beverage tax imposed under IC 6-9-21;

17 into a single consolidated entity as designated in the ordinance to  
 18 administer funds received from both of those taxes.

19           **Sec. 5.** If an ordinance is adopted under section 4 of this chapter,  
 20 each former entity is abolished on the date the ordinance is  
 21 adopted and may not exercise any of the powers, duties, or  
 22 responsibilities conferred on the former entity under IC 6-9-18 or  
 23 IC 6-9-21. In addition, the term of any individual serving on each  
 24 former entity ends on the date the ordinance is adopted. The  
 25 consolidated entity designated in the ordinance shall exercise the  
 26 functions of each abolished former entity.

27           **Sec. 6. (a)** If an ordinance is adopted under section 4 of this  
 28 chapter, the county executive may determine the number of  
 29 members to serve on the consolidated entity, which must be an odd  
 30 number. All members appointed to the consolidated entity must  
 31 reside in the county. The county executive shall determine:

32           (1) the qualifications to be appointed to the consolidated  
 33 entity, which may not include consideration of political party  
 34 affiliation;

35           (2) the term of a member, which may not exceed four (4)  
 36 years, but may provide for:

37           (A) the staggering of the terms of members initially  
 38 appointed to the consolidated entity;

39           (B) reappointment following the expiration of a member's  
 40 term; and

41           (C) the filling of vacancies if a vacancy occurs;

42           (3) the grounds for removal;



- 1           (4) the number of members required for a quorum; and  
 2           (5) any other matters that the county executive determines  
 3           reasonably relate to the composition of the consolidated  
 4           entity.

5           A member of the consolidated entity may not receive a salary or  
 6           benefits. However, a member of the consolidated entity is entitled  
 7           to reimbursement for necessary expenses incurred in the  
 8           performance of the member's respective duties.

9           (b) Each member of the consolidated entity, before entering the  
 10          member's duties, shall take an oath of office in the usual form, to  
 11          be endorsed upon the member's certificate of appointment and  
 12          promptly filed with the clerk of the circuit court of the county.

13          Sec. 7. If an ordinance is adopted under section 4 of this chapter,  
 14          the ordinance is final and the county executive may not adopt a  
 15          subsequent ordinance to restore each former entity and transfer  
 16          the powers, duties, and responsibilities concerning the  
 17          administration of the innkeeper's tax imposed under IC 6-9-18 or  
 18          food and beverage tax imposed under IC 6-9-21 back to each  
 19          former entity.

20          Sec. 8. If an ordinance is adopted under section 4 of this chapter,  
 21          money in a fund established under a provision of IC 6-9-18 or  
 22          IC 6-9-21 on the date the ordinance is adopted remains in the fund  
 23          and is available to be administered and used by the consolidated  
 24          entity for the purposes allowed under IC 6-9-18 or IC 6-9-21.

25          Sec. 9. If an ordinance is adopted under section 4 of this chapter,  
 26          any bonds, leases, contractual agreements, or other obligations  
 27          issued, entered into, or in effect on or before the date the ordinance  
 28          is adopted are transferred to and assumed by the consolidated  
 29          entity.

30          Sec. 10. If an ordinance is adopted under section 4 of this  
 31          chapter, all records and property of each former entity are  
 32          transferred on the date the ordinance is adopted to the  
 33          consolidated entity.

34          Sec. 11. If an ordinance is adopted under section 4 of this  
 35          chapter, the county executive must immediately send a certified  
 36          copy of the ordinance to each of the following:

- 37               (1) The commissioner of the department of state revenue.  
 38               (2) The treasurer of state.  
 39               (3) The state comptroller.

40          Sec. 12. If an ordinance is adopted under section 4 of this  
 41          chapter, a reference to a former entity in IC 6-9-18, IC 6-9-21,  
 42          another statute, a rule, or any other document is considered a



1 reference to the consolidated entity.

2 SECTION 18. IC 6-9-79 IS ADDED TO THE INDIANA CODE AS  
3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
4 1, 2026]:

5 **Chapter 79. Bedford Food and Beverage Tax**

6 **Sec. 1. This chapter applies to the city of Bedford.**

7 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**  
8 **chapter.**

9 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance to**  
10 **impose an excise tax, known as the city food and beverage tax, on**  
11 **transactions described in section 4 of this chapter. The fiscal body**  
12 **of the city may adopt an ordinance under this subsection only after**  
13 **the fiscal body has previously held at least one (1) separate public**  
14 **hearing in which a discussion of the proposed ordinance to impose**  
15 **the city food and beverage tax is the only substantive issue on the**  
16 **agenda for the public hearing.**

17 **(b) If the city fiscal body adopts an ordinance under subsection**  
18 **(a), the city fiscal body shall immediately send a certified copy of**  
19 **the ordinance to the department of state revenue.**

20 **(c) If the city fiscal body adopts an ordinance under subsection**  
21 **(a), the city food and beverage tax applies to transactions that**  
22 **occur after the later of the following:**

23 **(1) The day specified in the ordinance.**

24 **(2) The last day of the month that succeeds the month in**  
25 **which the ordinance is adopted.**

26 **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**  
27 **under section 3 of this chapter applies to a transaction in which**  
28 **food or beverage is furnished, prepared, or served:**

29 **(1) for consumption at a location or on equipment provided by**  
30 **a retail merchant;**

31 **(2) in the city; and**

32 **(3) by a retail merchant for consideration.**

33 **(b) Transactions described in subsection (a)(1) include**  
34 **transactions in which food or beverage is:**

35 **(1) served by a retail merchant off the merchant's premises;**

36 **(2) sold in a heated state or heated by a retail merchant;**

37 **(3) made of two (2) or more food ingredients, mixed or**  
38 **combined by a retail merchant for sale as a single item (other**  
39 **than food that is only cut, repackaged, or pasteurized by the**  
40 **seller, and eggs, fish, meat, poultry, and foods containing these**  
41 **raw animal foods requiring cooking by the consumer as**  
42 **recommended by the federal Food and Drug Administration**



1 in chapter 3, subpart 3-401.11 of its Food Code so as to  
2 prevent food borne illnesses); or

3 (4) sold with eating utensils provided by a retail merchant,  
4 including plates, knives, forks, spoons, glasses, cups, napkins,  
5 or straws (for purposes of this subdivision, a plate does not  
6 include a container or package used to transport food).

7 (c) The city food and beverage tax does not apply to the  
8 furnishing, preparing, or serving of a food or beverage in a  
9 transaction that is exempt, or to the extent the transaction is  
10 exempt, from the state gross retail tax imposed by IC 6-2.5.

11 **Sec. 5. The city food and beverage tax rate:**

12 (1) must be imposed in an increment of twenty-five  
13 hundredths percent (0.25%); and

14 (2) may not exceed one percent (1%);

15 of the gross retail income received by the merchant from the food  
16 or beverage transaction described in section 4 of this chapter. For  
17 purposes of this chapter, the gross retail income received by the  
18 retail merchant from a transaction does not include the amount of  
19 tax imposed on the transaction under IC 6-2.5.

20 **Sec. 6. A tax imposed under this chapter shall be imposed, paid,**  
21 **and collected in the same manner that the state gross retail tax is**  
22 **imposed, paid, and collected under IC 6-2.5. However, the return**  
23 **to be filed with the payment of the tax imposed under this chapter**  
24 **may be made on a separate return or may be combined with the**  
25 **return filed for the payment of the state gross retail tax, as**  
26 **prescribed by the department of state revenue.**

27 **Sec. 7. The amounts received from the tax imposed under this**  
28 **chapter shall be paid monthly by the treasurer of state to the city**  
29 **fiscal officer upon warrants issued by the state comptroller.**

30 **Sec. 8. (a) If a tax is imposed under section 3 of this chapter by**  
31 **the city, the city fiscal officer shall establish a food and beverage**  
32 **tax receipts fund.**

33 **(b) The city fiscal officer shall deposit in the fund all amounts**  
34 **received under this chapter.**

35 **(c) Money earned from the investment of money in the fund**  
36 **becomes a part of the fund.**

37 **Sec. 9. Money in the food and beverage tax receipts fund must**  
38 **be used by the city only for the following purposes:**

39 (1) Economic development and tourism related purposes or  
40 facilities, including the purchase of land for economic  
41 development or tourism related purposes.

42 (2) The pledge of money under IC 5-1-14-4 for bonds, leases,



1           or other obligations incurred for a purpose described in  
 2           subdivision (1).  
 3       **Revenue derived from the imposition of a tax under this chapter**  
 4       **may be treated by the city as additional revenue for the purpose of**  
 5       **fixing its budget for the budget year during which the revenues are**  
 6       **to be distributed to the city.**

7           **Sec. 10. With respect to obligations for which a pledge has been**  
 8           **made under section 9 of this chapter, the general assembly**  
 9           **covenants with the holders of the obligations that this chapter will**  
 10          **not be repealed or amended in a manner that will adversely affect**  
 11          **the imposition or collection of the tax imposed under this chapter**  
 12          **if the payment of any of the obligations is outstanding.**

13          **Sec. 11. (a) If the city imposes the tax authorized by this chapter,**  
 14          **the tax terminates on January 1, 2049.**

15          **(b) This chapter expires January 1, 2049.**

16          SECTION 19. IC 12-15-1.3-18.8 IS ADDED TO THE INDIANA  
 17          CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18          [EFFECTIVE JULY 1, 2026]: **Sec. 18.8. (a) Before September 1,**  
 19          **2026, the office of the secretary shall apply to the United States**  
 20          **Department of Health and Human Services for an amendment to**  
 21          **each home and community based services Medicaid waiver to,**  
 22          **when determining an individual's eligibility for a home and**  
 23          **community based services Medicaid waiver, use an asset limit**  
 24          **threshold as follows:**

25               **(1) For a single individual, five thousand dollars (\$5,000).**

26               **(2) For a married individual, ten thousand dollars (\$10,000).**

27          **(b) The office of the secretary shall implement the changes in**  
 28          **determining eligibility for a home and community based services**  
 29          **Medicaid waiver specified in subsection (a) beginning on the date**  
 30          **on which the United States Department of Health and Human**  
 31          **Services approves the request for changes by the office of the**  
 32          **secretary under this section.**

33          SECTION 20. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,  
 34          SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35          JULY 1, 2028]: **Sec. 2. (a) A county shall provide funding for the**  
 36          **operation of community mental health centers in the amount**  
 37          **determined under subsection (b) or, in the case of Marion County for**  
 38          **calendar year 2019, calendar year 2020, and calendar year 2021, the**  
 39          **amount determined under subsection (c).**

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

42               **(1) The county's maximum appropriation amount for the operation**



1 of community mental health centers determined under this  
 2 chapter in the previous calendar year, if the STEP THREE result  
 3 under the following formula is less than or equal to zero (0):

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

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

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

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

26 (A) one (1); or

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

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

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

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

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

42 STEP FIVE: Determine the product of the STEP ONE



1 amount multiplied by the STEP FOUR result.

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

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

9 (c) This subsection applies only in calendar year 2019, calendar year  
10 2020, and calendar year 2021. In the case of Marion County, the  
11 amount of funding under subsection (a) for a calendar year is  
12 determined under this subsection and is equal to the following:

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

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

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

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

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

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

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

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

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

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

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

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

42 (d) A county may meet the funding requirements under this



1 **section with any funding source in lieu of or in combination with**  
2 **property taxes but excluding federal funds.**

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

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

16 SECTION 21. IC 12-29-2-16, AS AMENDED BY P.L.59-2024,  
17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JULY 1, 2028]: Sec. 16. (a) A community mental health center that is  
19 certified by the division of mental health and addiction shall provide an  
20 annual report to the division of mental health and addiction and to the  
21 fiscal body and the board of county commissioners of each county  
22 located in the community mental health center's primary service area.

23 The annual report under this section must include the following:

24 (1) Information concerning the operational and community based  
25 activities undertaken during the year by the community mental  
26 health center in each county from which the community mental  
27 health center received funding under this chapter.

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

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

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

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

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

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



- 1 (4) Demographic information of patients served by the  
 2 community mental health center, including the following:  
 3 (A) The number of adults served and the:  
 4 (i) five (5) most common addiction substances; and  
 5 (ii) ten (10) most common primary mental health diagnoses;  
 6 of the adults.  
 7 (B) The number of children served and the:  
 8 (i) five (5) most common addiction substances; and  
 9 (ii) ten (10) most common primary mental health diagnoses;  
 10 of the children.  
 11 (5) The total number of clinical encounters in the preceding fiscal  
 12 year.  
 13 (6) The total number of completed intakes in the preceding fiscal  
 14 year.  
 15 (7) The average time from initial engagement to an offered initial  
 16 evaluation.  
 17 (8) The average time from initial evaluation to an offered  
 18 follow-up visit.  
 19 (9) The community mental health center's performance in  
 20 comparison to the state's performance on measures identified by  
 21 the division of mental health and addiction, including client  
 22 satisfaction and clinical outcomes.  
 23 (10) Data related to the connection between a patient and  
 24 additional county or regional based services, including any of the  
 25 following, if available:  
 26 (A) Self, family, or guardian referrals.  
 27 (B) Law enforcement or the criminal justice system.  
 28 (C) A hospital or physician.  
 29 (D) Child or youth services, including the department of child  
 30 services, systems of care, or schools.  
 31 (E) A twenty-four (24) hour crisis intervention service.  
 32 (F) An enhanced call center.  
 33 (b) The division of mental health and addiction shall:  
 34 (1) specify the format of the annual reports that must be provided  
 35 by community mental health centers under subsection (a);  
 36 (2) determine the measures to be used concerning performance  
 37 required by subsection (a)(9); and  
 38 (3) include a summary of that information in the annual report  
 39 prepared by the division under subsection (c).  
 40 (c) **A community mental health center that is certified by the**  
 41 **division of mental health and addiction shall annually provide to the**  
 42 **county fiscal body and of each county located in the community**



1 **mental health center's primary service area, the board of county**  
 2 **commissioners of each county located in the community mental**  
 3 **health center's primary service area, and the division of mental**  
 4 **health and addiction** a report that includes the following:

5 (1) An overview of the total funding provided to ~~all the~~  
 6 community mental health ~~centers~~ **center** during the year under  
 7 this chapter, including ~~funding provided by the division for~~  
 8 ~~purposes of programs under this chapter~~ **the following:**

9 (A) **The total amount of revenue received from the county**  
 10 **under this chapter.**

11 (B) **The total amount of expenditures made from revenue**  
 12 **received from the county under this chapter.**

13 (C) **The total amount of expenditures by category from**  
 14 **revenue received from the county under this chapter.**

15 (D) **The total amount of expenditures on services from**  
 16 **revenue received from the county under this chapter, and**  
 17 **as a percent of the total revenue received from the county**  
 18 **under this chapter.**

19 (E) **The total amount of funding provided by the division**  
 20 **for purposes of programs under this chapter.**

21 (2) A count, by county of residence, of the following concerning  
 22 patients served by the community mental health ~~centers~~ **center**  
 23 under programs funded under this chapter:

24 (A) The total number of patients served.

25 (B) The total number of patients receiving addiction treatment  
 26 services.

27 (C) The total number of patients receiving mental health  
 28 services.

29 (D) The total number of patients receiving both addiction  
 30 treatment services and mental health services.

31 (3) An assessment, specified by the county of patients' residence,  
 32 of the overall outcomes of the treatment provided to patients of  
 33 the community mental health ~~centers:~~ **center.**

34 (4) A summary of the information provided by **the** community  
 35 mental health ~~centers~~ **center** in the annual reports provided under  
 36 subsection (a), and an explanation of ~~the any~~ differences between  
 37 the patient count information provided by the community mental  
 38 health ~~centers~~ **center** in those reports and the patient count  
 39 information included in the ~~division's~~ report under this subsection.

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



1 website.  
 2 SECTION 22. IC 20-43-4-6.5, AS AMENDED BY P.L.201-2023,  
 3 SECTION 203, IS AMENDED TO READ AS FOLLOWS  
 4 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6.5. (a)  
 5 Subject to subsection (b), for purposes of determining basic tuition  
 6 support for a school corporation under IC 20-43-6-3, the department  
 7 shall review the daily attendance of each student to determine whether,  
 8 of the instructional services that the student receives from a school  
 9 corporation, at least fifty percent (50%) is virtual instruction. The  
 10 department shall review the daily attendance of a student under this  
 11 subsection as follows:  
 12 (1) Except as provided in section 6.7 of this chapter, for purposes  
 13 of the fall count of ADM, the department shall review the  
 14 attendance for each student on each school day from the school  
 15 corporation's first day of school until the fall count day of ADM  
 16 established under section 3 of this chapter.  
 17 (2) For purposes of the spring count of ADM, the department  
 18 shall review the attendance for each student on each school day  
 19 from the first day after the date described in subdivision (1) until  
 20 the date fixed in February by the state board under section 3 of  
 21 this chapter.  
 22 (b) In reviewing daily attendance under this section, the department  
 23 shall take into consideration whether a student transferred to the school  
 24 corporation during the dates described in subsection (a)(1) and (a)(2)  
 25 that the department reviews daily attendance.  
 26 **(c) For purposes of determining the amount of virtual**  
 27 **instruction a student receives, if the student transferred to a school**  
 28 **corporation ten (10) or fewer days before the 2026 spring count**  
 29 **day of ADM established under section 3 of this chapter, the**  
 30 **department shall consider an additional seven (7) days of**  
 31 **instruction after that count date. This subsection expires July 1,**  
 32 **2027.**  
 33 SECTION 23. IC 32-21-14-0.5 IS ADDED TO THE INDIANA  
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. For purposes of this**  
 36 **chapter, transfer fee covenants are limited to only transactions that**  
 37 **involve the transfer of property for financial benefit to the owner.**  
 38 SECTION 24. IC 32-21-14-1, AS AMENDED BY P.L.6-2012,  
 39 SECTION 207, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter,  
 41 "transfer" means the transfer of an interest in real property located in  
 42 Indiana by:



- 1 (1) sale;  
 2 ~~(2) gift;~~  
 3 ~~(3) conveyance;~~  
 4 ~~(4) (3) assignment; or~~  
 5 ~~(5) inheritance; or~~  
 6 ~~(6) (4) other means of transfer;~~  
 7 **for financial benefit to the owner.**  
 8 SECTION 25. IC 36-4-3-19.1 IS ADDED TO THE INDIANA  
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 10 [EFFECTIVE JULY 1, 2026]: **Sec. 19.1. (a) This section applies only**  
 11 **to a town that:**  
 12 (1) **was incorporated after 1990; and**  
 13 (2) **is located in a county having a population of more than**  
 14 **four hundred thousand (400,000) and less than seven hundred**  
 15 **thousand (700,000).**  
 16 (b) **The owner or owners of real property meeting the following**  
 17 **requirements may file a petition to disannex the property:**  
 18 (1) **The property consists of:**  
 19 (A) **at least thirty (30) acres; and**  
 20 (B) **not more than four (4) individual parcels.**  
 21 (2) **The boundary of a portion of the property is contiguous to**  
 22 **the boundary of:**  
 23 (A) **the unincorporated area of the county; or**  
 24 (B) **another municipality.**  
 25 (c) **The petition to disannex must include the following:**  
 26 (1) **A legal description of the property that is the subject of the**  
 27 **petition.**  
 28 (2) **The signed and notarized signature of the property owner**  
 29 **or owners.**  
 30 (d) **The owner or owners shall:**  
 31 (1) **record the executed petition to disannex with the county**  
 32 **recorder of the county in which the disannexed territory is**  
 33 **located; and**  
 34 (2) **file a copy of the executed petition with the county auditor**  
 35 **of the county in which the disannexed territory is located.**  
 36 (e) **The disannexation is complete and effective upon recording**  
 37 **and filing the petition as provided in subsection (d). The county**  
 38 **auditor shall list the disannexed property appropriately for**  
 39 **taxation.**  
 40 (f) **The county auditor shall forward a list of parcels disannexed**  
 41 **under this section to the following:**  
 42 (1) **The town that lost jurisdiction over the disannexed**



- 1           territory.
- 2           **(2) The county highway department of each county in which**
- 3           **the parcels affected are located.**
- 4           **(3) The county surveyor of each county in which the parcels**
- 5           **affected are located.**
- 6           **(4) Each plan commission, if any, that lost or gained**
- 7           **jurisdiction over the disannexed territory.**
- 8           **(5) The township trustee of each township that lost or gained**
- 9           **jurisdiction over the disannexed territory.**
- 10          **(6) The sheriff of each county in which parcels affected are**
- 11          **located.**
- 12          **(7) The office of the secretary of state.**
- 13          **(8) The office of census data established by IC 2-5-1.1-12.2.**
- 14          **(9) The department of local government finance, not later**
- 15          **than August 1 following the disannexation, in the manner**
- 16          **prescribed by the department.**

17          **The county auditor may require the owner to furnish an adequate**  
 18          **number of copies of the list of disannexed parcels or may charge**  
 19          **the owner a fee for copies of the list.**

20          **(g) A person may not appeal a disannexation petition that has**  
 21          **been recorded and filed under this section.**

22          SECTION 26. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020,  
 23          SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24          JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax  
 25          incremental amount" means the following:

- 26           (1) Except as provided in subdivision (2), the remainder of:
- 27           (A) the total amount of state adjusted gross income taxes and
- 28           local income taxes paid by employees employed in the
- 29           territory comprising the certified technology park with respect
- 30           to wages and salary earned for work in the territory comprising
- 31           the certified technology park for a particular state fiscal year;
- 32           minus
- 33           (B) the sum of the:
- 34           (i) income tax base period amount as defined in section 8 of
- 35           this chapter; and
- 36           (ii) tax credits awarded by the Indiana economic
- 37           development corporation under IC 6-3.1-13 to businesses
- 38           operating in a certified technology park as the result of
- 39           wages earned for work in the certified technology park for
- 40           the state fiscal year;

41           as determined by the department of state revenue.

- 42           (2) In the case of a certified technology park for which the amount



1 limit under section 22(c), ~~or~~ 22(d), **or 22(e)** of this chapter has  
 2 been exceeded, the remainder of:

3 (A) the total amount of state adjusted gross income taxes and  
 4 local income taxes paid by employees employed in the  
 5 territory comprising the certified technology park with respect  
 6 to wages and salary earned for work in the territory comprising  
 7 the certified technology park for a particular state fiscal year;  
 8 minus

9 (B) the sum of the:

10 (i) income tax base period amount as defined in section 8 of  
 11 this chapter; and

12 (ii) tax credits awarded by the Indiana economic  
 13 development corporation under IC 6-3.1-13 to businesses  
 14 operating in a certified technology park as the result of  
 15 wages earned for work in the certified technology park for  
 16 the state fiscal year;

17 as determined by the department of state revenue.

18 SECTION 27. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,  
 19 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an  
 21 incremental tax financing fund for each certified technology park  
 22 designated under this chapter. The fund shall be administered by the  
 23 treasurer of state. Money in the fund does not revert to the state general  
 24 fund at the end of a state fiscal year.

25 (b) Subject to subsection (c), the following amounts shall be  
 26 deposited during each state fiscal year in the incremental tax financing  
 27 fund established for a certified technology park under subsection (a):

28 (1) The aggregate amount of state gross retail and use taxes that  
 29 are remitted under IC 6-2.5 by businesses operating in the  
 30 certified technology park, until the amount of state gross retail  
 31 and use taxes deposited equals the gross retail incremental  
 32 amount for the certified technology park.

33 (2) Except as provided in subdivision (3), the aggregate amount  
 34 of the following taxes paid by employees employed in the  
 35 certified technology park with respect to wages earned for work  
 36 in the certified technology park, until the amount deposited equals  
 37 the income tax incremental amount as defined in section 8.5(1) of  
 38 this chapter:

39 (A) The adjusted gross income tax.

40 (B) The local income tax (IC 6-3.6).

41 (3) In the case of a certified technology park to which subsection  
 42 (e) **or (f)** applies, the amount determined under subsection (e) **or**



- 1           **(f), if any and as applicable.**
- 2           (c) Except as provided in subsections (d), ~~and (e)~~, **and (f)**, not more
- 3 than a total of five million dollars (\$5,000,000) may be deposited in a
- 4 particular incremental tax financing fund for a certified technology
- 5 park over the life of the certified technology park.
- 6           (d) Except as provided in ~~subsection (c)~~, **subsections (e) and (f)**, in
- 7 the case of a certified technology park that is operating under a written
- 8 agreement entered into by two (2) or more redevelopment
- 9 commissions, and subject to section 26(b)(4) of this chapter:
- 10           (1) not more than a total of five million dollars (\$5,000,000) may
- 11 be deposited over the life of the certified technology park in the
- 12 incremental tax financing fund of each redevelopment
- 13 commission participating in the operation of the certified
- 14 technology park; and
- 15           (2) the total amount that may be deposited in all incremental tax
- 16 financing funds, over the life of the certified technology park, in
- 17 aggregate, may not exceed the result of:
- 18           (A) five million dollars (\$5,000,000); multiplied by
- 19           (B) the number of redevelopment commissions that have
- 20 entered into a written agreement for the operation of the
- 21 certified technology park.
- 22           (e) If a certified technology park has reached the limit on deposits
- 23 under subsection (c) or (d) and maintains its certification under section
- 24 11(c) of this chapter, the certified technology park shall become a
- 25 Level 2 certified technology park and an additional annual deposit
- 26 amount shall be deposited in the incremental tax financing fund for the
- 27 certified technology park equal to the following:
- 28           (1) For a certified technology park to which subsection (c)
- 29 applies, the lesser of:
- 30           (A) the income tax incremental amount as defined in section
- 31 8.5(2) of this chapter; or
- 32           (B) two hundred fifty thousand dollars (\$250,000).
- 33           (2) For a certified technology park to which subsection (d)
- 34 applies, the lesser of:
- 35           (A) the aggregate income tax incremental amounts as defined
- 36 in section 8.5(2) of this chapter attributable to each
- 37 redevelopment commission that has entered into a written
- 38 agreement for the operation of the certified technology park;
- 39 or
- 40           (B) two hundred fifty thousand dollars (\$250,000) multiplied
- 41 by the number of redevelopment commissions that have
- 42 entered into a written agreement for the operation of the



- 1 certified technology park.
- 2 (3) The following apply to deposits under this subsection:
- 3 (A) If a certified technology park reached its limit on deposits
- 4 based on a state fiscal year ending before July 1, 2020, the
- 5 certified technology park shall receive deposits based on the
- 6 income tax incremental amount as defined in section 8.5(2) of
- 7 this chapter for each state fiscal year ending after June 30,
- 8 2019.
- 9 (B) If a certified technology park reached its limit on deposits
- 10 based on a state fiscal year ending after June 30, 2020, the
- 11 certified technology park shall receive deposits based on the
- 12 income tax incremental amount as defined in section 8.5(2) of
- 13 this chapter for the state fiscal year in which it reached its limit
- 14 on deposits under subsection (c) or (d) and each state fiscal
- 15 year thereafter.
- 16 (C) If a certified technology park is permitted to receive
- 17 deposits under this subsection during the state fiscal year in
- 18 which it reached its limit on deposits under subsection (c) or
- 19 (d), the income tax incremental amount for purposes of
- 20 subdivision (1)(A) or (1)(B) for that state fiscal year shall be
- 21 reduced by an amount equal to:
- 22 (i) the deposit amount for the state fiscal year under
- 23 subsection (b) required to reach the limit on deposits under
- 24 subsection (c) or (d); minus
- 25 (ii) the gross retail incremental amount determined under
- 26 section 6.5 of this chapter;
- 27 but not less than zero (0).
- 28 **(f) This subsection applies to a certified technology park that is**
- 29 **located within a qualified military base enhancement area under**
- 30 **IC 36-7-34. Subject to subsection (g), if a certified technology park**
- 31 **has reached the limit on deposits under subsection (e) and**
- 32 **maintains its certification under section 11(c) of this chapter, the**
- 33 **certified technology park shall become a Level 3 certified**
- 34 **technology park and an additional annual deposit amount shall be**
- 35 **deposited in the incremental tax financing fund for the certified**
- 36 **technology park equal to the lesser of:**
- 37 **(1) the aggregate income tax incremental amounts as defined**
- 38 **in section 8.5(2) of this chapter attributable to each**
- 39 **redevelopment commission that has entered into a written**
- 40 **agreement for the operation of the certified technology park;**
- 41 **or**
- 42 **(2) two hundred fifty thousand dollars (\$250,000) multiplied**



1 by the number of redevelopment commissions that have  
 2 entered into a written agreement for the operation of the  
 3 certified technology park.

4 However, no amount of state gross retail and use taxes that are  
 5 remitted under IC 6-2.5 for transactions occurring after June 30,  
 6 2029, by businesses operating in the certified technology park and  
 7 no amount of adjusted gross income tax or local income tax paid by  
 8 employees employed in the certified technology park with respect  
 9 to wages and salary earned for work in the certified technology  
 10 park after June 30, 2029, may be deposited in the incremental tax  
 11 financing fund for the certified technology park, regardless of  
 12 whether the maximum annual amount under subdivision (1) or (2)  
 13 has been met.

14 (g) For purposes of calculating the income tax incremental  
 15 amount for the additional annual deposit amount under subsection  
 16 (f), only wages attributable to new employees hired on or after the  
 17 date the certified technology park becomes a Level 3 certified  
 18 technology park shall be included in the calculation. The  
 19 department of state revenue shall determine the incremental  
 20 amount based only on the net payroll increase over the base payroll  
 21 determined at the time of the Level 3 designation.

22 (h) Once a certified technology park meets the requirements of  
 23 designation as a Level 3 certified technology park, the department  
 24 of state revenue shall, not later than ninety (90) days after receipt  
 25 of all information necessary to make the determination, issue a  
 26 written determination establishing:

- 27 (1) the date on which the certified technology park became a  
 28 Level 3 certified technology park; and  
 29 (2) the base payroll amount to be used for purposes of  
 30 calculating the income tax incremental amount under section  
 31 8.5 of this chapter.

32 The department of state revenue may require the submission of  
 33 documentation reasonably necessary to make the determination  
 34 under this subsection.

35 (†) (i) This subsection applies to a Level 2 or Level 3 certified  
 36 technology park designated in subsection (e) or (f). When the office  
 37 recertifies a certified technology park as required under section 11 of  
 38 this chapter, the office shall make a determination of whether the  
 39 certified technology park shall continue to be designated as a Level 2  
 40 or Level 3 certified technology park.

41 (‡) (j) On or before the twentieth day of each month, all amounts  
 42 held in the incremental tax financing fund established for a certified



1 technology park shall be distributed to the redevelopment commission  
 2 for deposit in the certified technology park fund established under  
 3 section 23 of this chapter.

4 SECTION 28. [EFFECTIVE UPON PASSAGE] (a) **The legislative**  
 5 **council is urged to assign to the interim study committee on courts**  
 6 **and the judiciary the task of undertaking a comprehensive study**  
 7 **of all court fees and fines, including those under IC 29, IC 31,**  
 8 **IC 32, IC 33, IC 34, and IC 35, and preparing a report on the study**  
 9 **containing:**

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

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

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

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

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

34 SECTION 30. [EFFECTIVE UPON PASSAGE] (a) **As used in this**  
 35 **SECTION, "division" means the division of family resources**  
 36 **established by IC 12-13-1-1.**

37 (b) **As used in this SECTION, "EBT card" refers to a magnetic**  
 38 **stripe card issued by or on behalf of the division for distribution of**  
 39 **SNAP assistance through an electronic benefits transfer program.**

40 (c) **As used in this SECTION, "SNAP" refers to the federal**  
 41 **Supplemental Nutrition Assistance Program under 7 U.S.C. 2011**  
 42 **et seq.**



- 1           **(d) The office of the secretary of family and social services and**
- 2 **division shall, when issuing a request for proposals for vendors to**
- 3 **implement or maintain an electronic benefits transfer program in**
- 4 **Indiana for SNAP assistance, require that, as part of its services,**
- 5 **a vendor offer a mobile application that allows the division to**
- 6 **implement technology solutions to prevent theft of SNAP benefits**
- 7 **and allow for the following:**
- 8           **(1) EBT card locking and unlocking.**
- 9           **(2) Blocking use of an EBT card for out-of-state transactions.**
- 10           **(3) Blocking use of an EBT card for online transactions.**
- 11           **(4) Receiving alerts for suspicious transactions using an EBT**
- 12           **card.**
- 13           **(e) This SECTION expires July 1, 2029.**
- 14           **SECTION 31. [EFFECTIVE JULY 1, 2026] (a) IC 4-22-2-22.7, as**
- 15 **amended by this act, applies to a rulemaking action that**
- 16 **commences after June 30, 2026.**
- 17           **(b) This SECTION expires July 1, 2028.**
- 18           **SECTION 32. 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

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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.



## 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.**

~~(d)~~ **(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



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 4, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 2. IC 4-22-2-22.7, AS AMENDED BY P.L.93-2024, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22.7. (a) Before complying with section 22.8, 37.1, or 37.2 of this chapter, an agency shall conduct a regulatory analysis for the proposed rule that complies with the requirements of this section.

(b) The office of management and budget shall set standards for the criteria, analytical method, treatment technology, economic, fiscal, and other background data to be used by an agency in the regulatory analysis. The regulatory analysis must be submitted in a form that can be easily loaded into commonly used business analysis software and published in the Indiana Register using the format jointly developed by the publisher, the office of management and budget, and the budget agency. The office of management and budget may provide more stringent requirements for rules with fiscal impacts and costs above a threshold amount determined by the office of management and budget.

(c) At a minimum, the regulatory analysis must include findings and any supporting data, studies, or analyses prepared for a rule that demonstrate compliance with the following:

- (1) The cost benefit requirements in IC 4-3-22-13.
- (2) Each of the standards in section 19.5 of this chapter.
- (3) If applicable, the requirements for fees, fines, and civil penalties in section 19.6 of this chapter.
- (4) The annual economic impact on small businesses statement required under IC 4-22-2.1-5.
- (5) If applicable, the information required under IC 13-14-9-4.
- (6) A determination whether the combined implementation and compliance costs of a proposed rule are at least ~~one million dollars (\$1,000,000)~~ **five hundred thousand dollars (\$500,000)** for businesses, units, and individuals over any two (2) year period.
- (7) Any requirement under any other law to conduct an analysis of the cost, benefits, economic impact, or fiscal impact of a rule, if applicable.

(d) The regulatory analysis must include a statement justifying any



requirement or cost that is:

- (1) imposed on a regulated entity under the rule; and
- (2) not expressly required by:
  - (A) the statute authorizing the agency to adopt the rule; or
  - (B) any other state or federal law.

The statement required under this subsection must include a reference to any data, studies, or analyses relied upon by the agency in determining that the imposition of the requirement or cost is necessary.

(e) Except as provided in subsection (f), if the implementation and compliance costs of a proposed rule are expected to exceed the threshold set forth in subsection (c)(6), the publisher may not publish the proposed rule until the budget committee has reviewed the rule.

(f) Subsection (e) does not apply to a proposed rule if the proposed rule is:

- (1) a provisional rule that was issued as the result of the governor declaring an emergency under IC 10-14-3 and is only valid during the emergency;
- (2) a provisional or interim rule that complies only with the requirements of a:
  - (A) federal law;
  - (B) federal regulation; or
  - (C) federal grant or loan program; or
- (3) an interim rule that incorporates a new or updated:
  - (A) building;
  - (B) equipment;
  - (C) firefighting;
  - (D) safety; or
  - (E) professional;
 code.

(g) If an agency has made a good faith effort to comply with this section, a rule is not invalid solely because the regulatory analysis for the proposed rule is insufficient or inaccurate."

Page 3, line 6, after "\$300,000,000" delete "." and insert ", **fifteen million dollars (\$15,000,000) of which must be allocated to fund qualified community projects within local government units under IC 6-3.1-34-24.**".

Page 3, between lines 38 and 39, begin a new paragraph and insert:  
 "SECTION 5. IC 5-28-44 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 44. Unmanned Aircraft Systems Test Site**

**Sec. 1. In enacting this chapter, it is the intent of the general**



assembly to advance the state's leadership position in technologies related to unmanned aircraft systems to foster more opportunities for citizens of the state with respect to unmanned aircraft system technology and related industries and to support the federal government in research, development, and testing in support of commerce and national security. The general assembly finds the following:

(1) The FAA announced on January 8, 2026, that Indiana is designated as a test site for UAS.

(2) The FAA notes that test sites help the United States assess emerging technologies to modernize methods for cargo delivery, Beyond Visual Line of Sight operations, and multiple UAS operations while informing safety and security, ushering in the safe commercialization of UAS technologies and fully integrating UAS into the national airspace system.

(3) Indiana's designation as a test site was the result of a competitive process against other states and a joint application between the corporation and the operating partner. The proposal was developed under a contract between the corporation and the operating partner to pursue similar federal programs.

(4) The FAA test site will require substantial reporting and compliance activities to comply with federal laws and regulations governing the federal UAS Test Site Program and ancillary activities and is desirable for efficiency, clarity, and transparency to avoid duplicating regulatory schemes at the federal and state levels.

Sec. 2. As used in this chapter, "FAA" means the Federal Aviation Administration.

Sec. 3. As used in this chapter, "operating partner" means the Indiana based nonprofit corporation that partners with the corporation to operate and maintain the UAS test site under supervision of the corporation.

Sec. 4. As used in this chapter, "test site" means the Indiana UAS test site awarded to the corporation by the FAA.

Sec. 5. As used in this chapter, "UAS" means an unmanned aircraft system, including counter UAS and other related entities.

Sec. 6. Notwithstanding any other law, during the period that the test site remains subject to federal requirements as part of the UAS Test Site Program operated by the FAA, the corporation and operating partner are not subject to any state law concerning the following for purposes of operating the test site:



- (1) State procurement requirements.
- (2) State contracting requirements.
- (3) State fee setting requirements.

**Sec. 7. (a)** The operating partner shall establish a bank account that is separate and segregated from any other bank account under the operating partner's control and administer all funds for the test site in the bank account.

**(b)** The operating partner may administer and deposit all income, earnings, and other receipts accrued through operation of the test site in the bank account, including any state or federal funding received through a contract, or as a grant or loan.

**(c)** The operating partner may expend money from the bank account for operations of the test site, including costs for administration, staffing, equipment, test site activities, communications, and marketing. The operating partner may transfer revenue from the bank account to the corporation or any other state agency to be used for the following purposes:

- (1) To procure UAS technology for use by the state.
- (2) To pursue federal funding for activities related to UAS that benefit the state.
- (3) To support economic development activities related to UAS research or manufacturing.

**(d)** The operating partner shall keep a full and complete record of funds received and disbursed by the operating partner. The report is subject to audit and must be submitted to the corporation board not later than July 1 of each year, or more often as required by the corporation.

**Sec. 8.** The state examiner, or deputy examiners, field examiners, or private examiners, shall make a full and complete report of the records and receipts of the test site.

**Sec. 9.** The operating partner shall do the following:

- (1) Respond to requests from local, regional, or state economic development organizations for assistance with economic activities intended to attract companies, or to develop clusters of activity, within the UAS sector.
- (2) Respond to requests from state agencies for expertise related to the procurement of UAS technology.
- (3) Respond to requests from state agencies for assistance with the development of new UAS test activities within particular economic sectors.

**Sec. 10.** The operating partner is responsible for carrying out the FAA's requirements and obligations for the safe operation and



**maintenance of the test site and for managing the day to day operations of the test site under supervision of the corporation.**

**Sec. 11. (a) Notwithstanding any other law, the corporation may enter into an agreement with the operating partner to fulfill the requirements of this chapter and any other applicable requirement from the FAA or another federal agency.**

**(b) The corporation may dedicate resources as determined necessary and appropriate by the corporation to support the implementation and ongoing operation of the test site, including staff support, administrative support, and direct financial support.**

**Sec. 12. Not later than December 1, 2026, and, beginning after December 31, 2026, not later than June 1 and December 1 of each calendar year, the operating partner and the corporation shall submit a written report for review to the budget committee concerning the following:**

**(1) An itemization of each of the expenditures of money from the bank account established under section 7 of this chapter since the last report to the budget committee.**

**(2) Anticipated expenditures for the subsequent six (6) months.**

**(3) Funding sources for expenditures.**

**(4) Any other information requested by the budget committee.**

SECTION 6. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 45. (a) This subsection applies only to a taxpayer's assessable depreciable personal property that is placed in service on or before January 1, 2025. Except as provided in subsections (b) and (c), for each assessment date, the total valuation of a taxpayer's assessable depreciable personal property in a single taxing district may not be less than thirty percent (30%) of the adjusted cost of all the taxpayer's assessable depreciable property in the taxing district.

(b) The limitation set forth in subsection (a) is to be applied before any special adjustment for abnormal obsolescence. The limitation does not apply to equipment not placed in service, special tooling, and permanently retired depreciable personal property.

(c) Depreciable personal property that is placed in service after January 1, 2025, is not subject to the minimum valuation limitation under this section. However, if depreciable personal property:

**(1) is placed in service after January 1, 2025, and is located in an existing tax increment allocation area for which the base assessed value is determined before January 1, 2025; or**



**(2) is owned by a light, heat, or power company, or a utility company owned, operated, or held in trust by a consolidated city;**

the depreciable personal property remains subject to the minimum valuation limitations under this section.

SECTION 7. IC 6-1.1-10-16, AS AMENDED BY P.L.230-2025, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 16. (a) All or part of a building is exempt from property taxation if it is owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes.

(b) A building is exempt from property taxation if it is owned, occupied, and used by a town, city, township, or county for educational, literary, scientific, fraternal, or charitable purposes.

(c) A tract of land, including the campus and athletic grounds of an educational institution, is exempt from property taxation if:

(1) a building that is exempt under subsection (a) or (b) is situated on it;

(2) a parking lot or structure that serves a building referred to in subdivision (1) is situated on it; or

(3) the tract:

(A) is owned by a nonprofit entity established for the purpose of retaining and preserving land and water for their natural characteristics;

(B) does not exceed five hundred (500) acres; and

(C) is not used by the nonprofit entity to make a profit.

(d) A tract of land is exempt from property taxation if:

(1) it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b); and

(2) not more than four (4) years after the property is purchased, and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the erection of the intended building and use of the tract for the exempt purpose. To establish substantial progress and active pursuit under this subdivision, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual



construction can and will begin within four (4) years.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within eight (8) years considering the circumstances of the owner.

If the owner of the property sells, leases, or otherwise transfers a tract of land that is exempt under this subsection, the owner is liable for the property taxes that were not imposed upon the tract of land during the period beginning January 1 of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease, or transfer. The county auditor of the county in which the tract of land is located may establish an installment plan for the repayment of taxes due under this subsection. The plan established by the county auditor may allow the repayment of the taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

(e) Personal property is exempt from property taxation if it is owned and used in such a manner that it would be exempt under subsection (a) or (b) if it were a building.

(f) A hospital's property that is exempt from property taxation under subsection (a), (b), or (e) shall remain exempt from property taxation even if the property is used in part to furnish goods or services to another hospital whose property qualifies for exemption under this section.

(g) Property owned by a shared hospital services organization that is exempt from federal income taxation under Section 501(c)(3) or 501(e) of the Internal Revenue Code is exempt from property taxation if it is owned, occupied, and used exclusively to furnish goods or services to a hospital whose property is exempt from property taxation under subsection (a), (b), or (e).

(h) This section does not exempt from property tax an office or a practice of a physician or group of physicians that is owned by a hospital licensed under IC 16-21-2 or other property that is not substantially related to or supportive of the inpatient facility of the hospital unless the office, practice, or other property:

- (1) provides or supports the provision of charity care (as defined in IC 16-18-2-52.5), including providing funds or other financial support for health care services for individuals who are indigent (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- (2) provides or supports the provision of community benefits (as



defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

(1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

(A) in a charitable manner;

(B) by a nonprofit organization; and

(C) to low income individuals who will:

(i) use the land as a family residence; and

(ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres; and

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner.

(k) When property that is exempt in any year under subsection (i) is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(l) If property is granted an exemption in any year under subsection (i) and the owner:

(1) fails to transfer the tangible property within eight (8) years after the assessment date for which the exemption is initially granted; or

(2) transfers the tangible property to a person who:

(A) is not a low income individual; or

(B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and



the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1) or (2) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection.

(m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

(1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.

(2) Interest on the property taxes at the rate of ten percent (10%) per year.

(n) The liability imposed by subsection (m) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (m) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(o) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

(p) This subsection applies to assessment dates occurring before January 1, 2026. A for-profit provider of early childhood education services to children who are at least four (4) but less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes only if all the requirements of section 46 of this chapter are satisfied. A for-profit provider of early childhood education services that provides the services only to children younger than four (4) years of age may not receive the exemption provided by this section for property used for educational purposes.

(q) This subsection applies to assessment dates occurring after December 31, 2025. Property used by a for-profit provider of early childhood education services to children who are less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes only if all the requirements of section 46 of this chapter are satisfied.

**(r) This subsection applies only to an Indiana nonprofit hospital system (as defined in IC 16-21-18-2). Notwithstanding any other law, real property directly or indirectly owned by the nonprofit hospital system purchased prior to July 1, 2026, is not exempt from property taxation if, after ten (10) years from the date of purchase of the property by the nonprofit hospital system, the property directly or indirectly owned by the nonprofit hospital system is not**



being used for the performance of revenue producing health care services by the nonprofit hospital system that directly or indirectly owns the property. For purposes of this subsection, "health care services" means the:

- (1) assessment;
- (2) diagnosis;
- (3) evaluation;
- (4) consultation;
- (5) treatment; and
- (6) monitoring;

of an entity's patients. The term includes medical education, preventative care, rehabilitative services, long term care, and administrative services that are necessary for the provision of a patient's care.

(s) This subsection applies only to an Indiana nonprofit hospital system (as defined in IC 16-21-18-2). Real property directly or indirectly owned by the nonprofit hospital system purchased after June 30, 2026, is not exempt from property taxation if the property directly or indirectly owned by the nonprofit hospital system is not being used for the performance of revenue producing health care services by the nonprofit hospital system that directly or indirectly owns the property. For purposes of this subsection, "health care services" has the meaning set forth in subsection (r).

(t) The disallowance of an exemption under subsection (r) does not apply to a parking garage, parking lot, equipment facility area, or any other similar property that actively serves a nonprofit hospital system. A determination under this subsection as to whether a parking garage, parking lot, equipment facility area, or any other similar property actively serves a nonprofit hospital system shall be made by the board of zoning appeals with jurisdiction over the property.

(~~r~~) (u) This subsection applies only to property taxes that are first due and payable in calendar years 2025 and 2026. All or part of a building is deemed to serve a charitable purpose and is exempt from property taxation if it is owned by a nonprofit entity that is:

- (1) registered as a continuing care retirement community under IC 23-2-4 and charges an entry fee of not more than five hundred thousand dollars (\$500,000) per unit;
- (2) defined as a small house health facility under IC 16-18-2-331.9;
- (3) licensed as a health care or residential care facility under IC 16-28; or



(4) licensed under IC 31-27 and designated as a qualified residential treatment provider that provides services under a contract with the department of child services.

This subsection expires January 1, 2027.

SECTION 7. IC 6-1.1-17-20.3, AS AMENDED BY P.L.230-2025, SECTION 44, IS AMENDED TO READ AS FOLLOWS [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~~ **equal to or more than fifty percent (50%)** 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 (+).~~

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 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 public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library 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 public library 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 public library'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 public library'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 public library files the information as required in subsection (c) or (d), whichever applies, 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 public library for the subsequent budget year, the public library'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.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, 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 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 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 (e) 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 8. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 26. (a) Sales of tangible personal property by an organization are exempt from the state gross retail tax if either of the following apply:

(1) The organization:

- (A) is described in section 25(a)(1)(A) through 25(a)(1)(C) of this chapter, section 25(a)(1)(D)(i) through 25(a)(1)(D)(iii) of this chapter, or section 25(a)(1)(D)(ix) of this chapter;
- (B) makes the sale to make money to carry on a not-for-profit purpose; and
- (C) did not make more than one hundred thousand dollars (\$100,000) in sales in the current calendar year or the previous calendar year.

(2) The organization:

- (A) is described in section 25(a)(1)(D)(iv) through



- 25(a)(1)(D)(viii) of this chapter; or  
 (B) is a youth organization focused on agriculture;  
**(C) is a youth organization listed in 36 U.S.C. 101 et. seq.**  
**that:**  
**(i) has an educational purpose; and**  
**(ii) promotes patriotism and civic involvement; or**  
**(D) is an organization that:**  
**(i) is exempt from federal income taxation under Section**  
**501(c)(3) of the Internal Revenue Code; and**  
**(ii) promotes youth shooting sports.**

Once sales of an organization that meets the qualifications under subdivision (1), but does not meet the qualifications under subdivision (2), exceed the amount described in subdivision (1), the organization is required to collect state gross retail tax on sales on an ongoing basis for the remainder of the calendar year and each calendar year thereafter until the organization makes less than one hundred thousand dollars (\$100,000) in sales for two (2) consecutive years.

(b) For purposes of subsection (a), the sales of an organization include sales made by all units operating under the organization's registration pursuant to section 25(c) of this chapter.

(c) If the qualifications of subsection (a) are not met, sales of tangible personal property by an organization described in section 25(a)(1) of this chapter are exempt from the state gross retail tax, if:

- (1) the organization is not operated predominantly for social purposes;
- (2) the property sold is designed and intended primarily either for the organization's educational, cultural, or religious purposes, or for improvement of the work skills or professional qualifications of the organization's members; and
- (3) the property sold is not designed or intended primarily for use in carrying on a private or proprietary business.

(d) Sales of tangible personal property by a public library, or a charitable organization described in section 25(a)(1) of this chapter formed to support a public library, are exempt from the state gross retail tax if the property sold consists of:

- (1) items in the library's circulated and publicly available collections, including items from the library's holdings; or
- (2) items that would typically be included in the library's circulated and publicly available collections and that are donated by individuals or organizations to a public library or to a charitable organization described in section 25(a)(1) of this chapter formed to support a public library.



The exemption provided by this subsection does not apply to any other sales of tangible personal property by a public library.

(e) The exemption provided by this section does not apply to an accredited college or university's sales of books, stationery, haberdashery, supplies, or other property.

(f) To obtain the exemption provided by this section, a taxpayer must follow the procedures set forth in section 25(c) of this chapter.

SECTION 9. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) The Indiana economic development corporation shall certify that a business is a qualified Indiana business if the corporation determines that the business:

- (1) has its headquarters in Indiana;
- (2) is primarily focused on professional motor vehicle racing, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:
  - (A) bring substantial capital into Indiana;
  - (B) create jobs;
  - (C) diversify the business base of Indiana; or
  - (D) significantly promote the purposes of this chapter in any other way;
- (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;
- (4) has:
  - (A) at least fifty percent (50%) of its employees residing in Indiana; or
  - (B) at least seventy-five percent (75%) of its assets located in Indiana; and
- (5) is not engaged in a business involving:
  - (A) real estate;
  - (B) real estate development;
  - (C) insurance;
  - (D) professional services provided by an accountant, a lawyer, or a physician;
  - (E) retail sales, except when:
    - (i) the primary purpose of the business is the development or support of electronic commerce using the Internet; or
    - (ii) the business is engaged in retail sales as a method to



**sell a unique product that the business developed, for which the business holds patents, or of which the business otherwise has ownership; or**

(F) oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the Indiana economic development corporation.

(c) If a business is certified as a qualified Indiana business under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) Except as provided in subsection (e), the Indiana economic development corporation may impose an application fee of not more than two hundred dollars (\$200).

(e) The Indiana economic development corporation may not impose the application fee authorized by subsection (d) for applications submitted during the period beginning July 1, 2011, and ending June 30, 2013.

SECTION 10. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development corporation may certify that an investment fund is a qualified Indiana investment fund if the corporation determines that the fund meets the definition in section 2.5 of this chapter and the requirements in subsection (b).

(b) The Indiana economic development corporation may only certify a fund as a qualified Indiana investment fund if the fund makes investments according to a policy that:

(1) requires eligible companies to be primarily focused on the commercialization of research and development, technology transfer, or application of new technology; and

(2) prioritizes investments in companies that:

(A) have received a grant, loan, or other investment funds provided by the Indiana twenty-first century research and technology fund established by IC 5-28-16-2; or

(B) maintain a substantial presence in Indiana.

**The policy referred to in this subsection shall apply only to investable capital in the fund, excluding management fees, legal fees, and other expenses incurred in the operation of the fund.**

(c) An investment fund must apply to be certified as a qualified Indiana investment fund on a form prescribed by the Indiana economic development corporation.



(d) If an investment fund is certified as a qualified Indiana investment fund under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana investment fund for inclusion in tax filings.

SECTION 11. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined under section 8 or 8.5 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess credit over for a period not to exceed the taxpayer's following five (5) taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or a refund of any unused credit amount.

(b) If the corporation certifies a credit for an investment that is made after June 30, 2020, and before July 1, 2029, the taxpayer may assign all or part of the credit to which the taxpayer is entitled under this chapter, subject to the limitations set forth in subsection (c).

(c) The following apply to the assignment of a credit under this chapter:

- (1) A taxpayer may not assign all or part of a credit or credits to a particular person in amounts that are less than ten thousand dollars (\$10,000).
- (2) Before a credit may be assigned, the taxpayer must notify the corporation of the assignment of the credit in the manner prescribed by the corporation.
- (3) An assignment of a credit must be in writing, and both the taxpayer and assignee shall report the assignment on the taxpayer's and assignee's state tax returns for the year in which the assignment is made, in the manner prescribed by the department.
- (4) Once a particular credit or credits are assigned, the assignee may not assign all or part of the credit or credits to another person.
- (5) A taxpayer may not receive value in connection with an assignment under this section that exceeds the value of that part of the credit assigned.

**Nothing in this subsection shall prevent a taxpayer from combining individual credits of less than ten thousand dollars (\$10,000) for assignment.**

(d) The corporation shall collect and compile data on the assignments of tax credits under this chapter and determine the



effectiveness of each assignment in getting projects completed. The corporation shall report its findings under this subsection to the legislative council in an electronic format under IC 5-14-6 before November 1, 2022. This subsection expires January 1, 2023.

SECTION 12. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the redevelopment and rehabilitation of property in Indiana that promotes regional collaboration and long term strategic planning, the corporation shall commit thirty-five million dollars (\$35,000,000) in tax credits under this chapter each state fiscal year among:**

- (1) development authorities;**
- (2) qualified nonprofit organizations; and**
- (3) local economic development organizations that:**
  - (A) represent a single unit or multiple units; and**
  - (B) have an economically significant impact, as determined by the corporation;**

which may subsequently be awarded by the corporation at the request of an entity described in subdivisions (1) through (3) to a taxpayer proposing a qualified investment in a qualified redevelopment site. The corporation shall consider the regional significance of a project when awarding the tax credits under this subsection.

**(b) Not later than January 1, 2031, the corporation shall present a report to the budget committee concerning the tax credits awarded under this section, including the status of the projects for which tax credits were awarded under this section and the regional impact of the projects.**

SECTION 13. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 2.1. As used in this chapter, "development authority" refers to a regional development authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or IC 36-7.7-3-1.**

SECTION 14. IC 6-3.1-34-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. As used in this chapter, "qualified nonprofit organization" means a nonprofit organization that:**

- (1) was established and obtained tax exempt status under Section 501 of the Internal Revenue Code before January 1,**



2016, and has since maintained tax exempt status under Section 501 of the Internal Revenue Code;

(2) was formed to support economic development across the region; and

(3) does not represent a single interest group or local unit or units within a single county.

SECTION 15. IC 6-3.1-34-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) As used in this section, "downtown area" means:

(1) the central business district of a city or town; or

(2) any commercial or mixed use area within a neighborhood of a city or town that has traditionally served, since the founding of the community, as the retail service and communal focal point within the community.

(b) As used in this section, "initiative" means the small town opportunity initiative established by subsection (f).

(c) As used in this section, "nonprofit taxpayer" means a taxpayer:

(1) that is tax exempt under Section 501 of the Internal Revenue Code;

(2) for which some or all of its mission is to revitalize the community it serves; and

(3) whose leadership includes primarily members of the community it serves.

(d) As used in this section, "qualified community project" means a project that:

(1) is located in the:

(A) downtown area of a city or a town with a population of less than thirty thousand (30,000);

(B) downtown area of a city or a town that is located in a county with a population of less than seventy-five thousand (75,000); or

(C) unincorporated territory of a county with a population of less than seventy-five thousand (75,000) if the site of the project is an area of the unincorporated territory that serves as the retail service and communal focal point within the unincorporated territory;

(2) involves the:

(A) historic preservation;

(B) redevelopment; or

(C) rehabilitation;



of real property; and

(3) has a total project budget of at least fifteen million dollars (\$15,000,000).

(e) As used in this section, "qualified investment" means the amount of the taxpayer's expenditures that are:

(1) for the redevelopment or rehabilitation of real property as part of a qualified community project; and

(2) approved by the corporation before the expenditure is made.

(f) The small town opportunity initiative is established.

(g) The corporation shall administer the initiative.

(h) The purpose of the initiative is to undertake qualified community projects within local government units to do the following:

(1) Advance historic preservation.

(2) Redevelop or rehabilitate distressed buildings or underutilized property.

(3) Redevelop or rehabilitate sites where distressed buildings once stood.

(i) A for-profit taxpayer undertaking a qualified community project under the initiative is entitled to a redevelopment tax credit under this chapter equal to twenty percent (20%) of the taxpayer's cost of the project.

(j) A nonprofit taxpayer undertaking a qualified community project under the initiative is entitled to a redevelopment tax credit under this chapter equal to thirty percent (30%) of the taxpayer's cost of the project.

(k) Qualified community projects undertaken under this section are not subject to any statutory or administrative repayment obligation.

(l) Notwithstanding any other provision of this section, for a nonprofit taxpayer undertaking a qualified community project under this section, expenditures incurred to acquire, hold, or prepare real property for redevelopment or rehabilitation before the date the taxpayer's initial application or application for certification is approved by the corporation shall be included in the taxpayer's qualified investment if:

(1) the expenditures were incurred for the primary purpose of future redevelopment consistent with subsection (h);

(2) the nonprofit taxpayer obtained site control in furtherance of a locally supported redevelopment effort; and

(3) the corporation determines, as part of the application or



certification process, that inclusion of such expenditures is in the public interest and supportive of early stage community redevelopment efforts.

(m) For purposes of determining whether an expenditure is included as part of a qualified investment under subsection (l), an expenditure shall be treated as if it were approved by the corporation as of the date the expenditure was originally incurred.

SECTION 16. IC 6-9-30 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

**Chapter 30. Delaware County Hospitality Tax Board Consolidation Ordinance**

**Sec. 0.5.** This chapter applies only to Delaware County.

**Sec. 1.** As used in this chapter, "consolidated entity" means a board resulting from the adoption of an ordinance under section 4 of this chapter to consolidate the functions of each former entity into the consolidated entity.

**Sec. 2.** As used in this chapter, "executive" has the meaning set forth in IC 36-1-2-5.

**Sec. 3.** As used in this chapter, "former entity" means a board, bureau, commission, authority, or any other similar entity authorized to administer funds received from the county:

- (1) innkeeper's tax imposed under IC 6-9-18; or
- (2) food and beverage tax imposed under IC 6-9-21.

**Sec. 4.** The county executive may adopt an ordinance to consolidate the functions of a former entity with respect to the administration of funds received from the county:

- (1) innkeeper's tax imposed under IC 6-9-18; or
- (2) food and beverage tax imposed under IC 6-9-21;

into a single consolidated entity as designated in the ordinance to administer funds received from both of those taxes.

**Sec. 5.** If an ordinance is adopted under section 4 of this chapter, each former entity is abolished on the date the ordinance is adopted and may not exercise any of the powers, duties, or responsibilities conferred on the former entity under IC 6-9-18 or IC 6-9-21. In addition, the term of any individual serving on each former entity ends on the date the ordinance is adopted. The consolidated entity designated in the ordinance shall exercise the functions of each abolished former entity.

**Sec. 6. (a)** If an ordinance is adopted under section 4 of this chapter, the county executive may determine the number of members to serve on the consolidated entity, which must be an odd



number. All members appointed to the consolidated entity must reside in the county. The county executive shall determine:

- (1) the qualifications to be appointed to the consolidated entity, which may not include consideration of political party affiliation;
- (2) the term of a member, which may not exceed four (4) years, but may provide for:
  - (A) the staggering of the terms of members initially appointed to the consolidated entity;
  - (B) reappointment following the expiration of a member's term; and
  - (C) the filling of vacancies if a vacancy occurs;
- (3) the grounds for removal;
- (4) the number of members required for a quorum; and
- (5) any other matters that the county executive determines reasonably relate to the composition of the consolidated entity.

A member of the consolidated entity may not receive a salary or benefits. However, a member of the consolidated entity is entitled to reimbursement for necessary expenses incurred in the performance of the member's respective duties.

(b) Each member of the consolidated entity, before entering the member's duties, shall take an oath of office in the usual form, to be endorsed upon the member's certificate of appointment and promptly filed with the clerk of the circuit court of the county.

Sec. 7. If an ordinance is adopted under section 4 of this chapter, the ordinance is final and the county executive may not adopt a subsequent ordinance to restore each former entity and transfer the powers, duties, and responsibilities concerning the administration of the innkeeper's tax imposed under IC 6-9-18 or food and beverage tax imposed under IC 6-9-21 back to each former entity.

Sec. 8. If an ordinance is adopted under section 4 of this chapter, money in a fund established under a provision of IC 6-9-18 or IC 6-9-21 on the date the ordinance is adopted remains in the fund and is available to be administered and used by the consolidated entity for the purposes allowed under IC 6-9-18 or IC 6-9-21.

Sec. 9. If an ordinance is adopted under section 4 of this chapter, any bonds, leases, contractual agreements, or other obligations issued, entered into, or in effect on or before the date the ordinance is adopted are transferred to and assumed by the consolidated entity.



**Sec. 10.** If an ordinance is adopted under section 4 of this chapter, all records and property of each former entity are transferred on the date the ordinance is adopted to the consolidated entity.

**Sec. 11.** If an ordinance is adopted under section 4 of this chapter, the county executive must immediately send a certified copy of the ordinance to each of the following:

- (1) The commissioner of the department of state revenue.
- (2) The treasurer of state.
- (3) The state comptroller.

**Sec. 12.** If an ordinance is adopted under section 4 of this chapter, a reference to a former entity in IC 6-9-18, IC 6-9-21, another statute, a rule, or any other document is considered a reference to the consolidated entity.

SECTION 17. IC 6-9-79 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

**Chapter 79. Bedford Food and Beverage Tax**

**Sec. 1.** This chapter applies to the city of Bedford.

**Sec. 2.** The definitions in IC 6-9-12-1 apply throughout this chapter.

**Sec. 3. (a)** The fiscal body of the city may adopt an ordinance to impose an excise tax, known as the city food and beverage tax, on transactions described in section 4 of this chapter. The fiscal body of the city may adopt an ordinance under this subsection only after the fiscal body has previously held at least one (1) separate public hearing in which a discussion of the proposed ordinance to impose the city food and beverage tax is the only substantive issue on the agenda for the public hearing.

**(b)** If the city fiscal body adopts an ordinance under subsection (a), the city fiscal body shall immediately send a certified copy of the ordinance to the department of state revenue.

**(c)** If the city fiscal body adopts an ordinance under subsection (a), the city food and beverage tax applies to transactions that occur after the later of the following:

- (1) The day specified in the ordinance.
- (2) The last day of the month that succeeds the month in which the ordinance is adopted.

**Sec. 4. (a)** Except as provided in subsection (c), a tax imposed under section 3 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

- (1) for consumption at a location or on equipment provided by



- a retail merchant;
- (2) in the city; and
- (3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

- (1) served by a retail merchant off the merchant's premises;
- (2) sold in a heated state or heated by a retail merchant;
- (3) made of two (2) or more food ingredients, mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration in chapter 3, subpart 3-401.11 of its Food Code so as to prevent food borne illnesses); or
- (4) sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subdivision, a plate does not include a container or package used to transport food).

(c) The city food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

**Sec. 5. The city food and beverage tax rate:**

- (1) must be imposed in an increment of twenty-five hundredths percent (0.25%); and
- (2) may not exceed one percent (1%);

of the gross retail income received by the merchant from the food or beverage transaction described in section 4 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

**Sec. 6. A tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department of state revenue.**

**Sec. 7. The amounts received from the tax imposed under this chapter shall be paid monthly by the treasurer of state to the city fiscal officer upon warrants issued by the state comptroller.**



**Sec. 8. (a) If a tax is imposed under section 3 of this chapter by the city, the city fiscal officer shall establish a food and beverage tax receipts fund.**

**(b) The city fiscal officer shall deposit in the fund all amounts received under this chapter.**

**(c) Money earned from the investment of money in the fund becomes a part of the fund.**

**Sec. 9. Money in the food and beverage tax receipts fund must be used by the city only for the following purposes:**

**(1) Economic development and tourism related purposes or facilities, including the purchase of land for economic development or tourism related purposes.**

**(2) The pledge of money under IC 5-1-14-4 for bonds, leases, or other obligations incurred for a purpose described in subdivision (1).**

**Revenue derived from the imposition of a tax under this chapter may be treated by the city as additional revenue for the purpose of fixing its budget for the budget year during which the revenues are to be distributed to the city.**

**Sec. 10. With respect to obligations for which a pledge has been made under section 9 of this chapter, the general assembly covenants with the holders of the obligations that this chapter will not be repealed or amended in a manner that will adversely affect the imposition or collection of the tax imposed under this chapter if the payment of any of the obligations is outstanding.**

**Sec. 11. (a) If the city imposes the tax authorized by this chapter, the tax terminates on January 1, 2049.**

**(b) This chapter expires January 1, 2049.**

**SECTION 18. IC 12-15-1.3-18.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18.8. (a) Before September 1, 2026, the office of the secretary shall apply to the United States Department of Health and Human Services for an amendment to each home and community based services Medicaid waiver to, when determining an individual's eligibility for a home and community based services Medicaid waiver, use an asset limit threshold as follows:**

**(1) For a single individual, five thousand dollars (\$5,000).**

**(2) For a married individual, ten thousand dollars (\$10,000).**

**(b) The office of the secretary shall implement the changes in determining eligibility for a home and community based services Medicaid waiver specified in subsection (a) beginning on the date**



**on which the United States Department of Health and Human Services approves the request for changes by the office of the secretary under this section."**

Page 8, line 6, strike "and" and insert **"of each county located in the community mental health center's primary service area, the"**.

Page 8, line 6, after "commissioners of each county" insert **"located in the community mental health center's primary service area, and the division of mental health and addiction"**.

Page 8, line 8, strike "all" and insert **"the"**.

Page 8, line 9, strike "centers" and insert **"center"**.

Page 8, strike line 10.

Page 8, line 11, strike "this chapter".

Page 8, line 11, delete "that includes".

Page 8, between lines 21 and 22, begin a new line double block indented and insert:

**"(E) The total amount of funding provided by the division for purposes of programs under this chapter."**

Page 8, line 23, strike "centers" and insert **"center"**.

Page 8, line 34, strike "centers." and insert **"center."**

Page 8, line 35, after "by" insert **"the"**.

Page 8, line 36, strike "centers" and insert **"center"**.

Page 8, line 37, after "of" strike "the" and insert **"any"**.

Page 8, line 38, strike "centers" and insert **"center"**.

Page 8, line 40, strike "division's".

Page 9, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 21. IC 20-43-4-6.5, AS AMENDED BY P.L.201-2023, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6.5. (a) Subject to subsection (b), for purposes of determining basic tuition support for a school corporation under IC 20-43-6-3, the department shall review the daily attendance of each student to determine whether, of the instructional services that the student receives from a school corporation, at least fifty percent (50%) is virtual instruction. The department shall review the daily attendance of a student under this subsection as follows:

(1) Except as provided in section 6.7 of this chapter, for purposes of the fall count of ADM, the department shall review the attendance for each student on each school day from the school corporation's first day of school until the fall count day of ADM established under section 3 of this chapter.

(2) For purposes of the spring count of ADM, the department shall review the attendance for each student on each school day



from the first day after the date described in subdivision (1) until the date fixed in February by the state board under section 3 of this chapter.

(b) In reviewing daily attendance under this section, the department shall take into consideration whether a student transferred to the school corporation during the dates described in subsection (a)(1) and (a)(2) that the department reviews daily attendance.

**(c) For purposes of determining the amount of virtual instruction a student receives, if the student transferred to a school corporation ten (10) or fewer days before the 2026 spring count day of ADM established under section 3 of this chapter, the department shall consider an additional seven (7) days of instruction after that count date. This subsection expires July 1, 2027.**

SECTION 22. IC 32-21-14-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. For purposes of this chapter, transfer fee covenants are limited to only transactions that involve the transfer of property for financial benefit to the owner.**

SECTION 23. IC 32-21-14-1, AS AMENDED BY P.L.6-2012, SECTION 207, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "transfer" means the transfer of an interest in real property located in Indiana by:

- (1) sale;
- ~~(2) gift;~~
- ~~(3) (2) conveyance;~~
- ~~(4) (3) assignment; or~~
- ~~(5) inheritance; or~~
- ~~(6) (4) other means of transfer;~~

**for financial benefit to the owner.**

SECTION 24. IC 36-4-3-19.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 19.1. (a) This section applies only to a town that:**

- (1) was incorporated after 1990; and**
- (2) is located in a county having a population of more than four hundred thousand (400,000) and less than seven hundred thousand (700,000).**

**(b) The owner or owners of real property meeting the following requirements may file a petition to disannex the property:**

- (1) The property consists of:**



- (A) at least thirty (30) acres; and
- (B) not more than four (4) individual parcels.
- (2) The boundary of a portion of the property is contiguous to the boundary of:
  - (A) the unincorporated area of the county; or
  - (B) another municipality.
- (c) The petition to disannex must include the following:
  - (1) A legal description of the property that is the subject of the petition.
  - (2) The signed and notarized signature of the property owner or owners.
- (d) The owner or owners shall:
  - (1) record the executed petition to disannex with the county recorder of the county in which the disannexed territory is located; and
  - (2) file a copy of the executed petition with the county auditor of the county in which the disannexed territory is located.
- (e) The disannexation is complete and effective upon recording and filing the petition as provided in subsection (d). The county auditor shall list the disannexed property appropriately for taxation.
- (f) The county auditor shall forward a list of parcels disannexed under this section to the following:
  - (1) The town that lost jurisdiction over the disannexed territory.
  - (2) The county highway department of each county in which the parcels affected are located.
  - (3) The county surveyor of each county in which the parcels affected are located.
  - (4) Each plan commission, if any, that lost or gained jurisdiction over the disannexed territory.
  - (5) The township trustee of each township that lost or gained jurisdiction over the disannexed territory.
  - (6) The sheriff of each county in which parcels affected are located.
  - (7) The office of the secretary of state.
  - (8) The office of census data established by IC 2-5-1.1-12.2.
  - (9) The department of local government finance, not later than August 1 following the disannexation, in the manner prescribed by the department.

The county auditor may require the owner to furnish an adequate number of copies of the list of disannexed parcels or may charge



**the owner a fee for copies of the list.**

**(g) A person may not appeal a disannexation petition that has been recorded and filed under this section.**

SECTION 25. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax incremental amount" means the following:

(1) Except as provided in subdivision (2), the remainder of:

(A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus

(B) the sum of the:

(i) income tax base period amount as defined in section 8 of this chapter; and

(ii) tax credits awarded by the Indiana economic development corporation under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue.

(2) In the case of a certified technology park for which the amount limit under section 22(c), ~~or 22(d)~~, **or 22(e)** of this chapter has been exceeded, the remainder of:

(A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus

(B) the sum of the:

(i) income tax base period amount as defined in section 8 of this chapter; and

(ii) tax credits awarded by the Indiana economic development corporation under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue.

SECTION 26. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,

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SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an incremental tax financing fund for each certified technology park designated under this chapter. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), the following amounts shall be deposited during each state fiscal year in the incremental tax financing fund established for a certified technology park under subsection (a):

(1) The aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the certified technology park, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the certified technology park.

(2) Except as provided in subdivision (3), the aggregate amount of the following taxes paid by employees employed in the certified technology park with respect to wages earned for work in the certified technology park, until the amount deposited equals the income tax incremental amount as defined in section 8.5(1) of this chapter:

(A) The adjusted gross income tax.

(B) The local income tax (IC 6-3.6).

(3) In the case of a certified technology park to which subsection (e) **or (f)** applies, the amount determined under subsection (e) **or (f)**, if any **and as applicable**.

(c) Except as provided in subsections (d), ~~and (e)~~, **and (f)**, not more than a total of five million dollars (\$5,000,000) may be deposited in a particular incremental tax financing fund for a certified technology park over the life of the certified technology park.

(d) Except as provided in ~~subsection (e)~~, **subsections (e) and (f)**, in the case of a certified technology park that is operating under a written agreement entered into by two (2) or more redevelopment commissions, and subject to section 26(b)(4) of this chapter:

(1) not more than a total of five million dollars (\$5,000,000) may be deposited over the life of the certified technology park in the incremental tax financing fund of each redevelopment commission participating in the operation of the certified technology park; and

(2) the total amount that may be deposited in all incremental tax financing funds, over the life of the certified technology park, in aggregate, may not exceed the result of:

(A) five million dollars (\$5,000,000); multiplied by



(B) the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.

(e) If a certified technology park has reached the limit on deposits under subsection (c) or (d) and maintains its certification under section 11(c) of this chapter, the certified technology park shall become a Level 2 certified technology park and an additional annual deposit amount shall be deposited in the incremental tax financing fund for the certified technology park equal to the following:

(1) For a certified technology park to which subsection (c) applies, the lesser of:

(A) the income tax incremental amount as defined in section 8.5(2) of this chapter; or

(B) two hundred fifty thousand dollars (\$250,000).

(2) For a certified technology park to which subsection (d) applies, the lesser of:

(A) the aggregate income tax incremental amounts as defined in section 8.5(2) of this chapter attributable to each redevelopment commission that has entered into a written agreement for the operation of the certified technology park; or

(B) two hundred fifty thousand dollars (\$250,000) multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.

(3) The following apply to deposits under this subsection:

(A) If a certified technology park reached its limit on deposits based on a state fiscal year ending before July 1, 2020, the certified technology park shall receive deposits based on the income tax incremental amount as defined in section 8.5(2) of this chapter for each state fiscal year ending after June 30, 2019.

(B) If a certified technology park reached its limit on deposits based on a state fiscal year ending after June 30, 2020, the certified technology park shall receive deposits based on the income tax incremental amount as defined in section 8.5(2) of this chapter for the state fiscal year in which it reached its limit on deposits under subsection (c) or (d) and each state fiscal year thereafter.

(C) If a certified technology park is permitted to receive deposits under this subsection during the state fiscal year in which it reached its limit on deposits under subsection (c) or



(d), the income tax incremental amount for purposes of subdivision (1)(A) or (1)(B) for that state fiscal year shall be reduced by an amount equal to:

- (i) the deposit amount for the state fiscal year under subsection (b) required to reach the limit on deposits under subsection (c) or (d); minus
  - (ii) the gross retail incremental amount determined under section 6.5 of this chapter;
- but not less than zero (0).

**(f) This subsection applies to a certified technology park that is located within a qualified military base enhancement area under IC 36-7-34. Subject to subsection (g), if a certified technology park has reached the limit on deposits under subsection (e) and maintains its certification under section 11(c) of this chapter, the certified technology park shall become a Level 3 certified technology park and an additional annual deposit amount shall be deposited in the incremental tax financing fund for the certified technology park equal to the lesser of:**

- (1) the aggregate income tax incremental amounts as defined in section 8.5(2) of this chapter attributable to each redevelopment commission that has entered into a written agreement for the operation of the certified technology park;**
- or**
- (2) two hundred fifty thousand dollars (\$250,000) multiplied by the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park.**

However, no amount of state gross retail and use taxes that are remitted under IC 6-2.5 for transactions occurring after June 30, 2029, by businesses operating in the certified technology park and no amount of adjusted gross income tax or local income tax paid by employees employed in the certified technology park with respect to wages and salary earned for work in the certified technology park after June 30, 2029, may be deposited in the incremental tax financing fund for the certified technology park, regardless of whether the maximum annual amount under subdivision (1) or (2) has been met.

**(g) For purposes of calculating the income tax incremental amount for the additional annual deposit amount under subsection (f), only wages attributable to new employees hired on or after the date the certified technology park becomes a Level 3 certified technology park shall be included in the calculation. The**



department of state revenue shall determine the incremental amount based only on the net payroll increase over the base payroll determined at the time of the Level 3 designation.

(h) Once a certified technology park meets the requirements of designation as a Level 3 certified technology park, the department of state revenue shall, not later than ninety (90) days after receipt of all information necessary to make the determination, issue a written determination establishing:

- (1) the date on which the certified technology park became a Level 3 certified technology park; and
- (2) the base payroll amount to be used for purposes of calculating the income tax incremental amount under section 8.5 of this chapter.

The department of state revenue may require the submission of documentation reasonably necessary to make the determination under this subsection.

(f) (i) This subsection applies to a Level 2 or Level 3 certified technology park designated in subsection (e) or (f). When the office recertifies a certified technology park as required under section 11 of this chapter, the office shall make a determination of whether the certified technology park shall continue to be designated as a Level 2 or Level 3 certified technology park.

(g) (j) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a certified technology park shall be distributed to the redevelopment commission for deposit in the certified technology park fund established under section 23 of this chapter."

Page 9, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 29. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "division" means the division of family resources established by IC 12-13-1-1.

(b) As used in this SECTION, "EBT card" refers to a magnetic stripe card issued by or on behalf of the division for distribution of SNAP assistance through an electronic benefits transfer program.

(c) As used in this SECTION, "SNAP" refers to the federal Supplemental Nutrition Assistance Program under 7 U.S.C. 2011 et seq.

(d) The office of the secretary of family and social services and division shall, when issuing a request for proposals for vendors to implement or maintain an electronic benefits transfer program in Indiana for SNAP assistance, require that, as part of its services, a vendor offer a mobile application that allows the division to



**implement technology solutions to prevent theft of SNAP benefits and allow for the following:**

- (1) EBT card locking and unlocking.**
- (2) Blocking use of an EBT card for out-of-state transactions.**
- (3) Blocking use of an EBT card for online transactions.**
- (4) Receiving alerts for suspicious transactions using an EBT card.**

**(e) This SECTION expires July 1, 2029.**

SECTION 30. [EFFECTIVE JULY 1, 2026] **(a) IC 4-22-2-22.7, as amended by this act, applies to a rulemaking action that commences after June 30, 2026.**

**(b) This SECTION expires July 1, 2028."**

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 4 as reprinted January 29, 2026.)

THOMPSON

Committee Vote: yeas 24, nays 0.

