



Reprinted
February 24, 2026

ENGROSSED SENATE BILL No. 4

DIGEST OF SB 4 (Updated February 23, 2026 5:38 pm - DI 134)

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. Requires the Indiana economic development corporation (IEDC) to, not later than 30 days after the closing date for any purchase (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; January 1, 2029.

Mishler, Garten, Randolph Lonnie M
(HOUSE SPONSORS — SNOW, THOMPSON, PORTER, O'BRIEN)

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.
February 23, 2026, read second time, amended, ordered engrossed.

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or sale of land, regardless of the amount of acreage, submit to the budget committee a report concerning the purchase or sale that must include various items. Amends provisions regarding budget committee review of tax credits in determining the annual aggregate tax credit cap. Makes the following changes (effective July 1, 2028) regarding community mental health centers (CMHC): (1) Allows a county to meet CMHC funding requirements from any funding source in lieu of or in combination with property taxes but excluding federal funds. (2) Adds provisions concerning the location where certain CMHC services may be provided. (3) Specifies additional items that are required to be reported by a CMHC. Urges the legislative council to assign to the interim study committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines. 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. Prohibits the IEDC from certifying an applicable tax credit to a taxpayer that is organized under the laws of a country that is a foreign adversary or that is otherwise related under certain circumstances to a country that is a foreign adversary. Provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program 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 in community based services Medicaid waiver to use a specified asset
(Continued next page)



Digest Continued

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. Requires the Indiana finance authority to conduct a study and, not later than November 1, 2026, submit a report evaluating certain information on data centers to the interim study committee on fiscal policy at a public meeting.



Reprinted
February 24, 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 5-28-5-2, AS AMENDED BY P.L.145-2025,
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2026]: Sec. 2. (a) Subject to subsection (b), the corporation is
 26 granted all powers necessary or appropriate to carry out the
 27 corporation's public and corporate purposes under this chapter.

28 (b) Before the corporation may purchase land in a county that in
 29 total exceeds one hundred (100) acres whether acquired in one (1)
 30 transaction or a series of transactions, the corporation must first give
 31 notice, in writing, to the board of county commissioners of the county
 32 in which the land is located not later than thirty (30) days before the
 33 closing date for the purchase or purchases. If the land is located within
 34 a city, the corporation must also give notice in writing to the mayor of
 35 the city in which the land is located not later than thirty (30) days
 36 before the closing date.

37 (c) At the same time the corporation provides the notice described
 38 in subsection (b) to the county or municipality, or both, in which the
 39 land is located, the corporation shall also provide a copy of the notice
 40 described in subsection (b) to the budget committee.

41 (d) **Not later than thirty (30) days after the closing date for any**
 42 **purchase or sale of land, regardless of the amount of acreage, the**



1 corporation shall submit to the budget committee a report
 2 concerning the purchase or sale that must at least include:

- 3 (1) the location and address of the land;
 4 (2) a general description of the land, including any
 5 improvements located on the land;
 6 (3) the total price of the purchase or sale, including the price
 7 of the land and of any improvements located on the land; and
 8 (4) the price paid or received per acre, as applicable.

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

13 (1) for each state fiscal year ending on or before June 30, 2025,
 14 for all taxpayers is two hundred fifty million dollars
 15 (\$250,000,000); and

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

23 (A) beginning after February 1, 2026, and before May 1,
 24 2026, after the first calendar quarter in which the award
 25 is made; and

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

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

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

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

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

42 (c) Notwithstanding subsection (a), if the corporation determines



1 that:

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

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

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

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

11 SECTION 6. IC 5-28-6-9.5 IS ADDED TO THE INDIANA CODE
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2026]: **Sec. 9.5. (a) As used in this section, "foreign adversary"**
14 **means a country described in 15 CFR 791.2 as in effect on July 1,**
15 **2026.**

16 (b) **The corporation may not certify an applicable tax credit to**
17 **a taxpayer if the corporation determines that the taxpayer is:**

18 (1) **organized under the laws of a country that is a foreign**
19 **adversary;**

20 (2) **headquartered in a country that is a foreign adversary; or**

21 (3) **majority owned by an organization that is an agency or**
22 **instrumentality of a foreign adversary, or is a business that is**
23 **an organization that is organized or headquartered under a**
24 **foreign adversary.**

25 (c) **The corporation shall require an applicant to, under**
26 **penalties of perjury, affirm that the applicant is not prohibited**
27 **from certification under subsection (b).**

28 (d) **If the corporation determines that a certification under this**
29 **section is materially false, the corporation shall:**

30 (1) **revoke the certification; and**

31 (2) **require repayment of any benefit received.**

32 SECTION 7. IC 5-28-44 IS ADDED TO THE INDIANA CODE AS
33 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
34 PASSAGE]:

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

36 **Sec. 1. In enacting this chapter, it is the intent of the general**
37 **assembly to advance the state's leadership position in technologies**
38 **related to unmanned aircraft systems to foster more opportunities**
39 **for citizens of the state with respect to unmanned aircraft system**
40 **technology and related industries and to support the federal**
41 **government in research, development, and testing in support of**
42 **commerce and national security. The general assembly finds the**



- 1 following:
- 2 (1) The FAA announced on January 8, 2026, that Indiana is
- 3 designated as a test site for UAS.
- 4 (2) The FAA notes that test sites help the United States assess
- 5 emerging technologies to modernize methods for cargo
- 6 delivery, Beyond Visual Line of Sight operations, and multiple
- 7 UAS operations while informing safety and security, ushering
- 8 in the safe commercialization of UAS technologies and fully
- 9 integrating UAS into the national airspace system.
- 10 (3) Indiana's designation as a test site was the result of a
- 11 competitive process against other states and a joint
- 12 application between the corporation and the operating
- 13 partner. The proposal was developed under a contract
- 14 between the corporation and the operating partner to pursue
- 15 similar federal programs.
- 16 (4) The FAA test site will require substantial reporting and
- 17 compliance activities to comply with federal laws and
- 18 regulations governing the federal UAS Test Site Program and
- 19 ancillary activities and is desirable for efficiency, clarity, and
- 20 transparency to avoid duplicating regulatory schemes at the
- 21 federal and state levels.
- 22 Sec. 2. As used in this chapter, "FAA" means the Federal
- 23 Aviation Administration.
- 24 Sec. 3. As used in this chapter, "operating partner" means the
- 25 Indiana based nonprofit corporation that partners with the
- 26 corporation to operate and maintain the UAS test site under
- 27 supervision of the corporation.
- 28 Sec. 4. As used in this chapter, "test site" means the Indiana
- 29 UAS test site awarded to the corporation by the FAA.
- 30 Sec. 5. As used in this chapter, "UAS" means an unmanned
- 31 aircraft system, including counter UAS and other related entities.
- 32 Sec. 6. Notwithstanding any other law, during the period that
- 33 the test site remains subject to federal requirements as part of the
- 34 UAS Test Site Program operated by the FAA, the corporation and
- 35 operating partner are not subject to any state law concerning the
- 36 following for purposes of operating the test site:
- 37 (1) State procurement requirements.
- 38 (2) State contracting requirements.
- 39 (3) State fee setting requirements.
- 40 Sec. 7. (a) The operating partner shall establish a bank account
- 41 that is separate and segregated from any other bank account under
- 42 the operating partner's control and administer all funds for the test



1 site in the bank account.

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

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

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

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

15 (3) To support economic development activities related to
16 UAS research or manufacturing.

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

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

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

26 (1) Respond to requests from local, regional, or state
27 economic development organizations for assistance with
28 economic activities intended to attract companies, or to
29 develop clusters of activity, within the UAS sector.

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

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

35 Sec. 10. The operating partner is responsible for carrying out
36 the FAA's requirements and obligations for the safe operation and
37 maintenance of the test site and for managing the day to day
38 operations of the test site under supervision of the corporation.

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



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

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

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

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

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

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

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

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

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

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

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

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

42 SECTION 9. IC 6-1.1-10-16, AS AMENDED BY P.L.230-2025,



1 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2027]: Sec. 16. (a) All or part of a building is exempt
3 from property taxation if it is owned, occupied, and used by a person
4 for educational, literary, scientific, religious, or charitable purposes.

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

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

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

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

14 (3) the tract:

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

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

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

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

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

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

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

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

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

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

40 (E) Any other factor that would lead a reasonable individual to
41 believe that construction of the building is an active plan and
42 that the building is capable of being completed within eight (8)



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

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

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

21 (g) Property owned by a shared hospital services organization that
 22 is exempt from federal income taxation under Section 501(c)(3) or
 23 501(e) of the Internal Revenue Code is exempt from property taxation
 24 if it is owned, occupied, and used exclusively to furnish goods or
 25 services to a hospital whose property is exempt from property taxation
 26 under subsection (a), (b), or (e).

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

- 32 (1) provides or supports the provision of charity care (as defined
- 33 in IC 16-18-2-52.5), including providing funds or other financial
- 34 support for health care services for individuals who are indigent
- 35 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- 36 (2) provides or supports the provision of community benefits (as
- 37 defined in IC 16-21-9-1), including research, education, or
- 38 government sponsored indigent health care (as defined in
- 39 IC 16-21-9-2).

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



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

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

6 (A) in a charitable manner;

7 (B) by a nonprofit organization; and

8 (C) to low income individuals who will:

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

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

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

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

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

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

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

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

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

33 (A) is not a low income individual; or

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

36 the person receiving the exemption shall notify the county recorder and
37 the county auditor of the county in which the property is located not
38 later than sixty (60) days after the event described in subdivision (1) or
39 (2) occurs. The county auditor shall immediately inform the county
40 assessor of a notification received under this subsection.

41 (m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not
42 later than the date that the next installment of property taxes is due, an



- 1 amount equal to the sum of the following:
- 2 (1) The total property taxes that, if it were not for the exemption
- 3 under subsection (i), would have been levied on the property in
- 4 each year in which an exemption was allowed.
- 5 (2) Interest on the property taxes at the rate of ten percent (10%)
- 6 per year.
- 7 (n) The liability imposed by subsection (m) is a lien upon the
- 8 property receiving the exemption under subsection (i). An amount
- 9 collected under subsection (m) shall be collected as an excess levy. If
- 10 the amount is not paid, it shall be collected in the same manner that
- 11 delinquent taxes on real property are collected.
- 12 (o) Property referred to in this section shall be assessed to the extent
- 13 required under IC 6-1.1-11-9.
- 14 (p) This subsection applies to assessment dates occurring before
- 15 January 1, 2026. A for-profit provider of early childhood education
- 16 services to children who are at least four (4) but less than six (6) years
- 17 of age on the annual assessment date may receive the exemption
- 18 provided by this section for property used for educational purposes
- 19 only if all the requirements of section 46 of this chapter are satisfied.
- 20 A for-profit provider of early childhood education services that
- 21 provides the services only to children younger than four (4) years of
- 22 age may not receive the exemption provided by this section for
- 23 property used for educational purposes.
- 24 (q) This subsection applies to assessment dates occurring after
- 25 December 31, 2025. Property used by a for-profit provider of early
- 26 childhood education services to children who are less than six (6) years
- 27 of age on the annual assessment date may receive the exemption
- 28 provided by this section for property used for educational purposes
- 29 only if all the requirements of section 46 of this chapter are satisfied.
- 30 **(r) This subsection applies only to an Indiana nonprofit hospital**
- 31 **system (as defined in IC 16-21-18-2). Notwithstanding any other**
- 32 **law, real property directly or indirectly owned by the nonprofit**
- 33 **hospital system purchased prior to July 1, 2026, is not exempt from**
- 34 **property taxation if, after ten (10) years from the date of purchase**
- 35 **of the property by the nonprofit hospital system, the property**
- 36 **directly or indirectly owned by the nonprofit hospital system is not**
- 37 **being used for the performance of revenue producing health care**
- 38 **services by the nonprofit hospital system that directly or indirectly**
- 39 **owns the property. For purposes of this subsection, "health care**
- 40 **services" means the:**
- 41 (1) assessment;
- 42 (2) diagnosis;



1 **(3) evaluation;**
 2 **(4) consultation;**
 3 **(5) treatment; and**
 4 **(6) monitoring;**
 5 of an entity's patients. The term includes medical education,
 6 preventative care, rehabilitative services, long term care, and
 7 administrative services that are necessary for the provision of a
 8 patient's care.

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

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

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

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

40 This subsection expires January 1, 2027.

41 SECTION 10. IC 6-1.1-17-20.3, AS AMENDED BY P.L.230-2025,
 42 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2029]; Sec. 20.3. (a) Except as provided in section 20.4
 2 of this chapter, this section applies only to the governing body of a
 3 public library that:

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

6 (2) has a percentage increase in the proposed budget for the
 7 taxing unit for the ensuing calendar year that is ~~more than the~~
 8 ~~result~~ **equal to or more than fifty percent (50%)** of

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

12 ~~(B) one (+)~~.

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

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

21 (c) If:

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

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

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

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



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

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

18 STEP ONE: Determine:

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

21 (B) one (1).

22 STEP TWO: Multiply:

23 (A) the STEP ONE result; by

24 (B) eight-tenths (0.8).

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

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

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



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

5 STEP ONE: Determine:

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

9 STEP TWO: Multiply:

- 10 (A) the STEP ONE result; by
 11 (B) eight-tenths (0.8).

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

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

21 SECTION 11. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023,
 22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2026]: Sec. 26. (a) Sales of tangible personal property by an
 24 organization are exempt from the state gross retail tax if either of the
 25 following apply:

26 (1) The organization:

- 27 (A) is described in section 25(a)(1)(A) through 25(a)(1)(C) of
 28 this chapter, section 25(a)(1)(D)(i) through 25(a)(1)(D)(iii) of
 29 this chapter, or section 25(a)(1)(D)(ix) of this chapter;
 30 (B) makes the sale to make money to carry on a not-for-profit
 31 purpose; and
 32 (C) did not make more than one hundred thousand dollars
 33 (\$100,000) in sales in the current calendar year or the previous
 34 calendar year.

35 (2) The organization:

- 36 (A) is described in section 25(a)(1)(D)(iv) through
 37 25(a)(1)(D)(viii) of this chapter; ~~or~~
 38 (B) is a youth organization focused on agriculture;
 39 **(C) is a youth organization listed in 36 U.S.C. 101 et. seq.**

40 **that:**

- 41 **(i) has an educational purpose; and**
 42 **(ii) promotes patriotism and civic involvement; or**



1 **(D) is an organization that:**

2 **(i) is exempt from federal income taxation under Section**
3 **501(c)(3) of the Internal Revenue Code; and**

4 **(ii) promotes youth shooting sports.**

5 Once sales of an organization that meets the qualifications under
6 subdivision (1), but does not meet the qualifications under subdivision
7 (2), exceed the amount described in subdivision (1), the organization
8 is required to collect state gross retail tax on sales on an ongoing basis
9 for the remainder of the calendar year and each calendar year thereafter
10 until the organization makes less than one hundred thousand dollars
11 (\$100,000) in sales for two (2) consecutive years.

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

15 (c) If the qualifications of subsection (a) are not met, sales of
16 tangible personal property by an organization described in section
17 25(a)(1) of this chapter are exempt from the state gross retail tax, if:

18 (1) the organization is not operated predominantly for social
19 purposes;

20 (2) the property sold is designed and intended primarily either for
21 the organization's educational, cultural, or religious purposes, or
22 for improvement of the work skills or professional qualifications
23 of the organization's members; and

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

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

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

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

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

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

42 (f) To obtain the exemption provided by this section, a taxpayer



- 1 must follow the procedures set forth in section 25(c) of this chapter.
 2 SECTION 12. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011,
 3 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2026]: Sec. 7. (a) The Indiana economic development
 5 corporation shall certify that a business is a qualified Indiana business
 6 if the corporation determines that the business:
 7 (1) has its headquarters in Indiana;
 8 (2) is primarily focused on professional motor vehicle racing,
 9 commercialization of research and development, technology
 10 transfers, or the application of new technology, or is determined
 11 by the Indiana economic development corporation to have
 12 significant potential to:
 13 (A) bring substantial capital into Indiana;
 14 (B) create jobs;
 15 (C) diversify the business base of Indiana; or
 16 (D) significantly promote the purposes of this chapter in any
 17 other way;
 18 (3) has had average annual revenues of less than ten million
 19 dollars (\$10,000,000) in the two (2) years preceding the year in
 20 which the business received qualified investment capital from a
 21 taxpayer claiming a credit under this chapter;
 22 (4) has:
 23 (A) at least fifty percent (50%) of its employees residing in
 24 Indiana; or
 25 (B) at least seventy-five percent (75%) of its assets located in
 26 Indiana; and
 27 (5) is not engaged in a business involving:
 28 (A) real estate;
 29 (B) real estate development;
 30 (C) insurance;
 31 (D) professional services provided by an accountant, a lawyer,
 32 or a physician;
 33 (E) retail sales, except when:
 34 (i) the primary purpose of the business is the development
 35 or support of electronic commerce using the Internet; or
 36 (ii) **the business is engaged in retail sales as a method to**
 37 **sell a unique product that the business developed, for**
 38 **which the business holds patents, or of which the**
 39 **business otherwise has ownership; or**
 40 (F) oil and gas exploration.
 41 (b) A business shall apply to be certified as a qualified Indiana
 42 business on a form prescribed by the Indiana economic development



1 corporation.

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

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

9 (e) The Indiana economic development corporation may not impose
10 the application fee authorized by subsection (d) for applications
11 submitted during the period beginning July 1, 2011, and ending June
12 30, 2013.

13 SECTION 13. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,
14 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development
16 corporation may certify that an investment fund is a qualified Indiana
17 investment fund if the corporation determines that the fund meets the
18 definition in section 2.5 of this chapter and the requirements in
19 subsection (b).

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

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

26 (2) prioritizes investments in companies that:

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

30 (B) maintain a substantial presence in Indiana.

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

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

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

41 SECTION 14. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,
42 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined
 2 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year
 3 exceeds the taxpayer's state tax liability for that taxable year, the
 4 taxpayer may carry the excess credit over for a period not to exceed the
 5 taxpayer's following five (5) taxable years. The amount of the credit
 6 carryover from a taxable year shall be reduced to the extent that the
 7 carryover is used by the taxpayer to obtain a credit under this chapter
 8 for any subsequent taxable year. A taxpayer is not entitled to a
 9 carryback or a refund of any unused credit amount.

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

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

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

19 (2) Before a credit may be assigned, the taxpayer must notify the
 20 corporation of the assignment of the credit in the manner
 21 prescribed by the corporation.

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

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

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

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

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

41 SECTION 15. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the**
 2 **redevelopment and rehabilitation of property in Indiana that**
 3 **promotes regional collaboration and long term strategic planning,**
 4 **the corporation shall commit thirty-five million dollars**
 5 **(\$35,000,000) in tax credits under this chapter each state fiscal year**
 6 **among:**

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

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

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

24 SECTION 16. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: **Sec. 2.1. As used in this chapter,**
 27 **"development authority" refers to a regional development**
 28 **authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or**
 29 **IC 36-7.7-3-1.**

30 SECTION 17. IC 6-3.1-34-5.5 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. As used in this chapter,**
 33 **"qualified nonprofit organization" means a nonprofit organization**
 34 **that:**

- 35 (1) **was established and obtained tax exempt status under**
 36 **Section 501 of the Internal Revenue Code before January 1,**
 37 **2016, and has since maintained tax exempt status under**
 38 **Section 501 of the Internal Revenue Code;**
 39 (2) **was formed to support economic development across the**
 40 **region; and**
 41 (3) **does not represent a single interest group or local unit or**
 42 **units within a single county.**



1 SECTION 18. IC 6-3.1-34-24 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) As used in this section,
 4 "downtown area" means:

- 5 (1) the central business district of a city or town; or
 6 (2) any commercial or mixed use area within a neighborhood
 7 of a city or town that has traditionally served, since the
 8 founding of the community, as the retail service and
 9 communal focal point within the community.

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

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

- 14 (1) that is tax exempt under Section 501 of the Internal
 15 Revenue Code;
 16 (2) for which some or all of its mission is to revitalize the
 17 community it serves; and
 18 (3) whose leadership includes primarily members of the
 19 community it serves.

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

- 22 (1) is located in the:
 23 (A) downtown area of a city or a town with a population of
 24 less than thirty thousand (30,000);
 25 (B) downtown area of a city or a town that is located in a
 26 county with a population of less than seventy-five thousand
 27 (75,000); or
 28 (C) unincorporated territory of a county with a population
 29 of less than seventy-five thousand (75,000) if the site of the
 30 project is an area of the unincorporated territory that
 31 serves as the retail service and communal focal point
 32 within the unincorporated territory;
 33 (2) involves the:
 34 (A) historic preservation;
 35 (B) redevelopment; or
 36 (C) rehabilitation;
 37 of real property; and
 38 (3) has a total project budget of at least fifteen million dollars
 39 (\$15,000,000).

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

- 42 (1) for the redevelopment or rehabilitation of real property as



- 1 part of a qualified community project; and
 2 (2) approved by the corporation before the expenditure is
 3 made.
 4 (f) The small town opportunity initiative is established.
 5 (g) The corporation shall administer the initiative.
 6 (h) The purpose of the initiative is to undertake qualified
 7 community projects within local government units to do the
 8 following:
 9 (1) Advance historic preservation.
 10 (2) Redevelop or rehabilitate distressed buildings or
 11 underutilized property.
 12 (3) Redevelop or rehabilitate sites where distressed buildings
 13 once stood.
 14 (i) A for-profit taxpayer undertaking a qualified community
 15 project under the initiative is entitled to a redevelopment tax credit
 16 under this chapter equal to twenty percent (20%) of the taxpayer's
 17 cost of the project.
 18 (j) A nonprofit taxpayer undertaking a qualified community
 19 project under the initiative is entitled to a redevelopment tax credit
 20 under this chapter equal to thirty percent (30%) of the taxpayer's
 21 cost of the project.
 22 (k) Qualified community projects undertaken under this section
 23 are not subject to any statutory or administrative repayment
 24 obligation.
 25 (l) Notwithstanding any other provision of this section, for a
 26 nonprofit taxpayer undertaking a qualified community project
 27 under this section, expenditures incurred to acquire, hold, or
 28 prepare real property for redevelopment or rehabilitation before
 29 the date the taxpayer's initial application or application for
 30 certification is approved by the corporation shall be included in the
 31 taxpayer's qualified investment if:
 32 (1) the expenditures were incurred for the primary purpose
 33 of future redevelopment consistent with subsection (h);
 34 (2) the nonprofit taxpayer obtained site control in furtherance
 35 of a locally supported redevelopment effort; and
 36 (3) the corporation determines, as part of the application or
 37 certification process, that inclusion of such expenditures is in
 38 the public interest and supportive of early stage community
 39 redevelopment efforts.
 40 (m) For purposes of determining whether an expenditure is
 41 included as part of a qualified investment under subsection (l), an
 42 expenditure shall be treated as if it were approved by the



1 **corporation as of the date the expenditure was originally incurred.**

2 SECTION 19. IC 6-9-30 IS ADDED TO THE INDIANA CODE AS
3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2026]:

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

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

8 **Sec. 1. As used in this chapter, "consolidated entity" means a**
9 **board resulting from the adoption of an ordinance under section**
10 **4 of this chapter to consolidate the functions of each former entity**
11 **into the consolidated entity.**

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

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

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

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

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

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

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

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

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

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

39 (1) the qualifications to be appointed to the consolidated
40 entity, which may not include consideration of political party
41 affiliation;

42 (2) the term of a member, which may not exceed four (4)



1 years, but may provide for:

- 2 (A) the staggering of the terms of members initially
 3 appointed to the consolidated entity;
 4 (B) reappointment following the expiration of a member's
 5 term; and
 6 (C) the filling of vacancies if a vacancy occurs;
 7 (3) the grounds for removal;
 8 (4) the number of members required for a quorum; and
 9 (5) any other matters that the county executive determines
 10 reasonably relate to the composition of the consolidated
 11 entity.

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

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

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

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

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

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

41 Sec. 11. If an ordinance is adopted under section 4 of this
 42 chapter, the county executive must immediately send a certified



1 copy of the ordinance to each of the following:

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

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

9 SECTION 20. IC 6-9-79 IS ADDED TO THE INDIANA CODE AS
 10 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 11 1, 2026]:

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

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

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

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

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

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

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

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

- 36 (1) for consumption at a location or on equipment provided by
 37 a retail merchant;
 38 (2) in the city; and
 39 (3) by a retail merchant for consideration.

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

- 42 (1) served by a retail merchant off the merchant's premises;



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

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

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

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

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

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

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

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

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

42 (c) Money earned from the investment of money in the fund



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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 21. 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.

SECTION 22. 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**



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

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

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

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

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

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

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

33 (A) one (1); or

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

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

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



- 1 government finance under IC 6-1.1-20.6-11.
 2 STEP THREE: Determine the amount of the certified levy
 3 for funds subject to the civil maximum levy in the
 4 immediately preceding calendar year.
 5 STEP FOUR: Determine the result of the STEP TWO
 6 amount divided by the STEP THREE amount.
 7 STEP FIVE: Determine the product of the STEP ONE
 8 amount multiplied by the STEP FOUR result.
 9 STEP SIX: Determine the STEP FIVE amount plus one (1).
 10 The department of local government finance shall verify the maximum
 11 appropriation calculation under this subsection as part of the
 12 certification of the county's budget under IC 6-1.1-17. For taxes due
 13 and payable in 2020, the department of local government finance shall
 14 calculate the maximum appropriation under this subsection as if the
 15 taxes were due and payable in 2019.
 16 (c) This subsection applies only in calendar year 2019, calendar year
 17 2020, and calendar year 2021. In the case of Marion County, the
 18 amount of funding under subsection (a) for a calendar year is
 19 determined under this subsection and is equal to the following:
 20 (1) For calendar year 2019, the sum of:
 21 (A) the actual amount of the appropriations by the county for
 22 community mental health centers under this chapter in 2018;
 23 plus
 24 (B) the result of thirty-three percent (33%) multiplied by the
 25 result of:
 26 (i) the amount that would have, except for the application of
 27 this subsection, applied to the county under subsection (b)
 28 for calendar year 2019; minus
 29 (ii) the actual amount of the appropriations by the county for
 30 community mental health centers under this chapter in 2018.
 31 (2) For calendar year 2020, the sum of:
 32 (A) the actual amount of the appropriations by the county for
 33 community mental health centers under this chapter in 2019;
 34 plus
 35 (B) the result of sixty-six percent (66%) multiplied by the
 36 result of:
 37 (i) the amount that would have, except for the application of
 38 this subsection, applied to the county under subsection (b)
 39 for calendar year 2020; minus
 40 (ii) the actual amount of the appropriations by the county for
 41 community mental health centers under this chapter in 2019.
 42 (3) For calendar year 2021, the amount that would have, except



1 for the application of this subsection, applied to the county under
 2 subsection (b) for calendar year 2021.
 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. This subsection
 6 expires January 1, 2022.
 7 **(d) A county may meet the funding requirements under this**
 8 **section with any funding source in lieu of or in combination with**
 9 **property taxes but excluding federal funds.**
 10 ~~(d)~~ **(e)** The funding provided by a county under this section shall be
 11 used solely for:
 12 (1) the operations of community mental health centers serving the
 13 county; or
 14 (2) contributing to the nonfederal share of medical assistance
 15 payments to community mental health centers serving the county.
 16 **(f) Services authorized through a community mental health**
 17 **center certification shall only be provided in the community mental**
 18 **health center's designated county or counties.**
 19 **(g) Notwithstanding subsection (f), the division of mental health**
 20 **and addiction may authorize approval for a community mental**
 21 **health center to provide school based services outside the**
 22 **community mental health center's designated service area.**
 23 SECTION 23. IC 12-29-2-16, AS AMENDED BY P.L.59-2024,
 24 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2028]: Sec. 16. (a) A community mental health center that is
 26 certified by the division of mental health and addiction shall provide an
 27 annual report to the division of mental health and addiction and to the
 28 fiscal body and the board of county commissioners of each county
 29 located in the community mental health center's primary service area.
 30 The annual report under this section must include the following:
 31 (1) Information concerning the operational and community based
 32 activities undertaken during the year by the community mental
 33 health center in each county from which the community mental
 34 health center received funding under this chapter.
 35 (2) A listing, by the county of patients' residence, of the following
 36 information:
 37 (A) The total number of patients served by the community
 38 mental health center.
 39 (B) The total number of patients receiving addiction treatment
 40 services from the community mental health center.
 41 (C) The total number of patients receiving mental health
 42 services from the community mental health center.



- 1 (D) The total number of patients receiving both addiction
 2 treatment services and mental health services from the
 3 community mental health center.
- 4 (3) A copy of the most recent financial audit provided to the
 5 division of mental health and addiction under 440 IAC 4.1-2-5,
 6 including a balance sheet of assets and liabilities, which shall be
 7 prepared by an independent certified public accountant.
- 8 (4) Demographic information of patients served by the
 9 community mental health center, including the following:
- 10 (A) The number of adults served and the:
- 11 (i) five (5) most common addiction substances; and
 12 (ii) ten (10) most common primary mental health diagnoses;
 13 of the adults.
- 14 (B) The number of children served and the:
- 15 (i) five (5) most common addiction substances; and
 16 (ii) ten (10) most common primary mental health diagnoses;
 17 of the children.
- 18 (5) The total number of clinical encounters in the preceding fiscal
 19 year.
- 20 (6) The total number of completed intakes in the preceding fiscal
 21 year.
- 22 (7) The average time from initial engagement to an offered initial
 23 evaluation.
- 24 (8) The average time from initial evaluation to an offered
 25 follow-up visit.
- 26 (9) The community mental health center's performance in
 27 comparison to the state's performance on measures identified by
 28 the division of mental health and addiction, including client
 29 satisfaction and clinical outcomes.
- 30 (10) Data related to the connection between a patient and
 31 additional county or regional based services, including any of the
 32 following, if available:
- 33 (A) Self, family, or guardian referrals.
 34 (B) Law enforcement or the criminal justice system.
 35 (C) A hospital or physician.
 36 (D) Child or youth services, including the department of child
 37 services, systems of care, or schools.
 38 (E) A twenty-four (24) hour crisis intervention service.
 39 (F) An enhanced call center.
- 40 (b) The division of mental health and addiction shall:
- 41 (1) specify the format of the annual reports that must be provided
 42 by community mental health centers under subsection (a);



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



1 subsection (a), and an explanation of ~~the any~~ differences between
 2 the patient count information provided by the community mental
 3 health ~~centers center~~ in those reports and the patient count
 4 information included in the ~~division's~~ report under this subsection.

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

9 SECTION 24. IC 20-43-4-6.5, AS AMENDED BY P.L.201-2023,
 10 SECTION 203, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6.5. (a)
 12 Subject to subsection (b), for purposes of determining basic tuition
 13 support for a school corporation under IC 20-43-6-3, the department
 14 shall review the daily attendance of each student to determine whether,
 15 of the instructional services that the student receives from a school
 16 corporation, at least fifty percent (50%) is virtual instruction. The
 17 department shall review the daily attendance of a student under this
 18 subsection as follows:

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

24 (2) For purposes of the spring count of ADM, the department
 25 shall review the attendance for each student on each school day
 26 from the first day after the date described in subdivision (1) until
 27 the date fixed in February by the state board under section 3 of
 28 this chapter.

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

33 **(c) For purposes of determining the amount of virtual**
 34 **instruction a student receives, if the student transferred to a school**
 35 **corporation ten (10) or fewer days before the 2026 spring count**
 36 **day of ADM established under section 3 of this chapter, the**
 37 **department shall consider an additional seven (7) days of**
 38 **instruction after that count date. This subsection expires July 1,**
 39 **2027.**

40 SECTION 25. IC 32-21-14-0.5 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. For purposes of this**



1 **chapter, transfer fee covenants are limited to only transactions that**
 2 **involve the transfer of property for financial benefit to the owner.**

3 SECTION 26. IC 32-21-14-1, AS AMENDED BY P.L.6-2012,
 4 SECTION 207, IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter,
 6 "transfer" means the transfer of an interest in real property located in
 7 Indiana by:

- 8 (1) sale;
 9 ~~(2) gift;~~
 10 ~~(3) (2) conveyance;~~
 11 ~~(4) (3) assignment; or~~
 12 ~~(5) inheritance; or~~
 13 ~~(6) (4) other means of transfer;~~

14 **for financial benefit to the owner.**

15 SECTION 27. IC 36-4-3-19.1 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2026]: Sec. 19.1. (a) **This section applies only**
 18 **to a town that:**

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

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

- 25 (1) **The property consists of:**
 26 (A) **at least thirty (30) acres; and**
 27 (B) **not more than four (4) individual parcels.**
 28 (2) **The boundary of a portion of the property is contiguous to**
 29 **the boundary of:**
 30 (A) **the unincorporated area of the county; or**
 31 (B) **another municipality.**

32 (c) **The petition to disannex must include the following:**

- 33 (1) **A legal description of the property that is the subject of the**
 34 **petition.**
 35 (2) **The signed and notarized signature of the property owner**
 36 **or owners.**

37 (d) **The owner or owners shall:**

- 38 (1) **record the executed petition to disannex with the county**
 39 **recorder of the county in which the disannexed territory is**
 40 **located; and**
 41 (2) **file a copy of the executed petition with the county auditor**
 42 **of the county in which the disannexed territory is located.**



1 (e) The disannexation is complete and effective upon recording
2 and filing the petition as provided in subsection (d). The county
3 auditor shall list the disannexed property appropriately for
4 taxation.

5 (f) The county auditor shall forward a list of parcels disannexed
6 under this section to the following:

7 (1) The town that lost jurisdiction over the disannexed
8 territory.

9 (2) The county highway department of each county in which
10 the parcels affected are located.

11 (3) The county surveyor of each county in which the parcels
12 affected are located.

13 (4) Each plan commission, if any, that lost or gained
14 jurisdiction over the disannexed territory.

15 (5) The township trustee of each township that lost or gained
16 jurisdiction over the disannexed territory.

17 (6) The sheriff of each county in which parcels affected are
18 located.

19 (7) The office of the secretary of state.

20 (8) The office of census data established by IC 2-5-1.1-12.2.

21 (9) The department of local government finance, not later
22 than August 1 following the disannexation, in the manner
23 prescribed by the department.

24 The county auditor may require the owner to furnish an adequate
25 number of copies of the list of disannexed parcels or may charge
26 the owner a fee for copies of the list.

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

29 SECTION 28. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020,
30 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax
32 incremental amount" means the following:

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

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

40 (B) the sum of the:

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



1 (ii) tax credits awarded by the Indiana economic
 2 development corporation under IC 6-3.1-13 to businesses
 3 operating in a certified technology park as the result of
 4 wages earned for work in the certified technology park for
 5 the state fiscal year;
 6 as determined by the department of state revenue.
 7 (2) In the case of a certified technology park for which the amount
 8 limit under section 22(c), ~~or 22(d)~~, **or 22(e)** of this chapter has
 9 been exceeded, the remainder of:
 10 (A) the total amount of state adjusted gross income taxes and
 11 local income taxes paid by employees employed in the
 12 territory comprising the certified technology park with respect
 13 to wages and salary earned for work in the territory comprising
 14 the certified technology park for a particular state fiscal year;
 15 minus
 16 (B) the sum of the:
 17 (i) income tax base period amount as defined in section 8 of
 18 this chapter; and
 19 (ii) tax credits awarded by the Indiana economic
 20 development corporation under IC 6-3.1-13 to businesses
 21 operating in a certified technology park as the result of
 22 wages earned for work in the certified technology park for
 23 the state fiscal year;
 24 as determined by the department of state revenue.
 25 SECTION 29. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,
 26 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an
 28 incremental tax financing fund for each certified technology park
 29 designated under this chapter. The fund shall be administered by the
 30 treasurer of state. Money in the fund does not revert to the state general
 31 fund at the end of a state fiscal year.
 32 (b) Subject to subsection (c), the following amounts shall be
 33 deposited during each state fiscal year in the incremental tax financing
 34 fund established for a certified technology park under subsection (a):
 35 (1) The aggregate amount of state gross retail and use taxes that
 36 are remitted under IC 6-2.5 by businesses operating in the
 37 certified technology park, until the amount of state gross retail
 38 and use taxes deposited equals the gross retail incremental
 39 amount for the certified technology park.
 40 (2) Except as provided in subdivision (3), the aggregate amount
 41 of the following taxes paid by employees employed in the
 42 certified technology park with respect to wages earned for work



- 1 in the certified technology park, until the amount deposited equals
 2 the income tax incremental amount as defined in section 8.5(1) of
 3 this chapter:
- 4 (A) The adjusted gross income tax.
 5 (B) The local income tax (IC 6-3.6).
- 6 (3) In the case of a certified technology park to which subsection
 7 (e) **or (f)** applies, the amount determined under subsection (e) **or**
 8 **(f)**, if any **and as applicable**.
- 9 (c) Except as provided in subsections (d), ~~and (e)~~, **and (f)**, not more
 10 than a total of five million dollars (\$5,000,000) may be deposited in a
 11 particular incremental tax financing fund for a certified technology
 12 park over the life of the certified technology park.
- 13 (d) Except as provided in ~~subsection (e)~~, **subsections (e) and (f)**, in
 14 the case of a certified technology park that is operating under a written
 15 agreement entered into by two (2) or more redevelopment
 16 commissions, and subject to section 26(b)(4) of this chapter:
- 17 (1) not more than a total of five million dollars (\$5,000,000) may
 18 be deposited over the life of the certified technology park in the
 19 incremental tax financing fund of each redevelopment
 20 commission participating in the operation of the certified
 21 technology park; and
 22 (2) the total amount that may be deposited in all incremental tax
 23 financing funds, over the life of the certified technology park, in
 24 aggregate, may not exceed the result of:
- 25 (A) five million dollars (\$5,000,000); multiplied by
 26 (B) the number of redevelopment commissions that have
 27 entered into a written agreement for the operation of the
 28 certified technology park.
- 29 (e) If a certified technology park has reached the limit on deposits
 30 under subsection (c) or (d) and maintains its certification under section
 31 11(c) of this chapter, the certified technology park shall become a
 32 Level 2 certified technology park and an additional annual deposit
 33 amount shall be deposited in the incremental tax financing fund for the
 34 certified technology park equal to the following:
- 35 (1) For a certified technology park to which subsection (c)
 36 applies, the lesser of:
- 37 (A) the income tax incremental amount as defined in section
 38 8.5(2) of this chapter; or
 39 (B) two hundred fifty thousand dollars (\$250,000).
- 40 (2) For a certified technology park to which subsection (d)
 41 applies, the lesser of:
- 42 (A) the aggregate income tax incremental amounts as defined



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



1 technology park equal to the lesser of:

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

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

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

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

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

34 (1) the date on which the certified technology park became a
35 Level 3 certified technology park; and

36 (2) the base payroll amount to be used for purposes of
37 calculating the income tax incremental amount under section
38 8.5 of this chapter.

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

42 (f) (i) This subsection applies to a Level 2 or Level 3 certified



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

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

11 SECTION 30. [EFFECTIVE UPON PASSAGE] (a) **The legislative**
 12 **council is urged to assign to the interim study committee on courts**
 13 **and the judiciary the task of undertaking a comprehensive study**
 14 **of all court fees and fines, including those under IC 29, IC 31,**
 15 **IC 32, IC 33, IC 34, and IC 35, and preparing a report on the study**
 16 **containing:**

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

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

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

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

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

41 SECTION 32. [EFFECTIVE UPON PASSAGE] (a) As used in this
 42 SECTION, "division" means the division of family resources



1 established by IC 12-13-1-1.

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

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

8 (d) The office of the secretary of family and social services and
9 division shall, when issuing a request for proposals for vendors to
10 implement or maintain an electronic benefits transfer program in
11 Indiana for SNAP assistance, require that, as part of its services,
12 a vendor offer a mobile application that allows the division to
13 implement technology solutions to prevent theft of SNAP benefits
14 and allow for the following:

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

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

21 SECTION 33. [EFFECTIVE JULY 1, 2026] (a) IC 4-22-2-22.7, as
22 amended by this act, applies to a rulemaking action that
23 commences after June 30, 2026.

24 (b) This SECTION expires July 1, 2028.

25 SECTION 34. [EFFECTIVE UPON PASSAGE] (a) As used in this
26 SECTION, "data center" means one (1) or more buildings that are
27 rehabilitated or constructed to house a group of networked server
28 computers in one (1) physical location in order to centralize the
29 storage, management, and dissemination of data and information
30 pertaining to a particular business, taxonomy, or body of
31 knowledge.

32 (b) As used in this SECTION, "data center equipment" has the
33 meaning set forth in IC 6-2.5-15-2.

34 (c) The Indiana finance authority (established by IC 5-1.2-3-1)
35 shall conduct a study and prepare a report evaluating the
36 following:

- 37 (1) Each of the:
 - 38 (A) property tax incentives that may be granted by a local
39 unit;
 - 40 (B) state adjusted gross income tax incentives;
 - 41 (C) state gross retail and use tax incentives; and
 - 42 (D) other tax incentives;



1 that are available to data centers or are applicable to data
 2 center equipment under current Indiana law, including a
 3 review of the state and local fiscal impact of the utilization of
 4 any of the tax incentives.
 5 (2) The impact of data centers on the:
 6 (A) costs of utilities; and
 7 (B) water supply;
 8 for local governments and consumers.
 9 (3) The local and regional environmental impacts of data
 10 centers.
 11 The report shall include recommendations on whether the
 12 continued availability of each tax incentive, with or without new
 13 statutory limitations on the amounts of tax incentives that may be
 14 awarded, is beneficial to the state and local economies and
 15 workforces. The report shall also include recommendations
 16 concerning the impacts on utilities and the water supply for local
 17 governments and consumers, and recommendations concerning the
 18 local and regional environmental impacts. Not later than
 19 November 1, 2026, the Indiana finance authority (established by
 20 IC 5-1.2-3-1) shall present the report to the interim study
 21 committee on fiscal policy at a public meeting of the interim study
 22 committee on fiscal policy.
 23 (d) This SECTION expires July 1, 2027.
 24 SECTION 35. 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

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 (1)~~.

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

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

(c) If:

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

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

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

(d) If subsection (c) does not apply or the public library's territory



covers more than one (1) county, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department 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.

HOUSE MOTION

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

Page 5, between lines 24 and 25, begin a new paragraph and insert: "SECTION 1. IC 5-28-6-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.5. (a) As used in this section, "foreign adversary" means a country described in 15 CFR 791.2 as in effect on July 1, 2026.

(b) The corporation may not certify an applicable tax credit to a taxpayer if the corporation determines that the taxpayer is:

- (1) organized under the laws of a country that is a foreign adversary;
- (2) headquartered in a country that is a foreign adversary; or
- (3) majority owned by an organization that is an agency or instrumentality of a foreign adversary, or is a business that is an organization that is organized or headquartered under a foreign adversary.

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(c) The corporation shall require an applicant to, under penalties of perjury, affirm that the applicant is not prohibited from certification under subsection (b).

(d) If the corporation determines that a certification under this section is materially false, the corporation shall:

- (1) revoke the certification; and
- (2) require repayment of any benefit received."

Renumber all SECTIONS consecutively.

(Reference is to ESB 4 as printed February 19, 2026.)

IRELAND

HOUSE MOTION

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

Page 42, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 32. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "data center" means one (1) or more buildings that are rehabilitated or constructed to house a group of networked server computers in one (1) physical location in order to centralize the storage, management, and dissemination of data and information pertaining to a particular business, taxonomy, or body of knowledge.

(b) As used in this SECTION, "data center equipment" has the meaning set forth in IC 6-2.5-15-2.

(c) The Indiana finance authority (established by IC 5-1.2-3-1) shall conduct a study and prepare a report evaluating the following:

- (1) Each of the:**
 - (A) property tax incentives that may be granted by a local unit;**
 - (B) state adjusted gross income tax incentives;**
 - (C) state gross retail and use tax incentives; and**
 - (D) other tax incentives;**

that are available to data centers or are applicable to data center equipment under current Indiana law, including a review of the state and local fiscal impact of the utilization of any of the tax incentives.

- (2) The impact of data centers on the:**

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- (A) costs of utilities; and
 - (B) water supply;
- for local governments and consumers.
- (3) The local and regional environmental impacts of data centers.

The report shall include recommendations on whether the continued availability of each tax incentive, with or without new statutory limitations on the amounts of tax incentives that may be awarded, is beneficial to the state and local economies and workforces. The report shall also include recommendations concerning the impacts on utilities and the water supply for local governments and consumers, and recommendations concerning the local and regional environmental impacts. Not later than November 1, 2026, the Indiana finance authority (established by IC 5-1.2-3-1) shall present the report to the interim study committee on fiscal policy at a public meeting of the interim study committee on fiscal policy.

(d) This SECTION expires July 1, 2027."

Renumber all SECTIONS consecutively.

(Reference is to ESB 4 as printed February 19, 2026.)

DELANEY

HOUSE MOTION

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

Page 13, line 36, delete "JULY 1, 2026]:" and insert "JANUARY 1, 2029]:".

Renumber all SECTIONS consecutively.

(Reference is to ESB 4 as printed February 19, 2026.)

ROWRAY



HOUSE MOTION

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

Page 4, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 1. IC 5-28-5-2, AS AMENDED BY P.L.145-2025, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) Subject to subsection (b), the corporation is granted all powers necessary or appropriate to carry out the corporation's public and corporate purposes under this chapter.

(b) Before the corporation may purchase land in a county that in total exceeds one hundred (100) acres whether acquired in one (1) transaction or a series of transactions, the corporation must first give notice, in writing, to the board of county commissioners of the county in which the land is located not later than thirty (30) days before the closing date for the purchase or purchases. If the land is located within a city, the corporation must also give notice in writing to the mayor of the city in which the land is located not later than thirty (30) days before the closing date.

(c) At the same time the corporation provides the notice described in subsection (b) to the county or municipality, or both, in which the land is located, the corporation shall also provide a copy of the notice described in subsection (b) to the budget committee.

(d) Not later than thirty (30) days after the closing date for any purchase or sale of land, regardless of the amount of acreage, the corporation shall submit to the budget committee a report concerning the purchase or sale that must at least include:

- (1) the location and address of the land;**
- (2) a general description of the land, including any improvements located on the land;**
- (3) the total price of the purchase or sale, including the price of the land and of any improvements located on the land; and**
- (4) the price paid or received per acre, as applicable."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 4 as printed February 19, 2026.)

DELANEY

