Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 4

AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 2-5-1.1-7, AS AMENDED BY P.L.213-2025, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The council shall maintain a bipartisan service and administrative agency for the general assembly to assist it in the performance of its constitutional responsibilities as a separate and independent legislative branch of state government. The service and administrative agency shall be known as the "Legislative Services Agency".

(b) In maintaining the legislative services agency the council shall:

(1) establish the qualifications for and employ such personnel as are required to carry out the purposes and provisions of this chapter;

(2) employ an executive director, to be charged with the administrative responsibility of all offices, departments, or divisions which the council may from time to time establish, and to serve as chief executive under the council;

(3) adopt rules and regulations governing personnel practices and establishing the rights, privileges, powers, and duties of all employees;

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

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

director.

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

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

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

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

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

(1) the legislative council; and

(2) the budget committee.

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.

SECTION 3. IC 4-29.5-18-1, AS ADDED BY P.L.171-2021, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. For so long as the Band makes payments in accordance with IC 4-29.5-17, the Band shall allocate a portion of the annual payment to provide funding for ~~public~~ postsecondary and vocational education for Band citizens (the "Pokagon Indiana Education Fund").

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

SECTION 5. 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 6. 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~~ **of each county located in the community mental health center's primary service area, the** board of county commissioners of each county **located in the community mental health center's primary service area, and the division of mental health and addiction** a report that includes the following:

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

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

(2) A count, by county of residence, of the following concerning patients served by the community mental health ~~centers~~ **center** 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.~~ **center.**

(4) A summary of the information provided by **the** community mental health ~~centers~~ **center** in the annual reports provided under subsection (a), and an explanation of ~~the~~ **any** differences between the patient count information provided by the community mental health ~~centers~~ **center** 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.~~

SECTION 7. [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 8. [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.

SECTION 9. [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.

SECTION 10. **An emergency is declared for this act.**

President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: ______________ Time: ______________