

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 7099
BILL NUMBER: SB 4

NOTE PREPARED: Jan 23, 2026
BILL AMENDED: Jan 22, 2026

SUBJECT: Various Fiscal Matters.

FIRST AUTHOR: Sen. Mishler
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

Executive Order Fiscal Notes: It 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.)

Pokagon Indiana Education Fund: It 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.

Tax Credits: It amends provisions regarding Budget Committee review of tax credits in determining the annual aggregate tax credit cap.

Budget Review: It amends provisions to subject all taxing units with an unelected board to binding review of the board's budget by the county, city, or town fiscal body.

Community Mental Health Centers: It provides that effective July 1, 2028, a county may (instead of shall) provide property tax funding for the operation of community mental health centers and makes conforming changes.

Study of Court Fees and Fines: It urges the Legislative Council to assign to the Interim Study Committee on Courts and the Judiciary the task of undertaking a comprehensive study of all court fees and fines.

Effective Date: (Amended) Upon passage; July 1, 2025 (retroactive); July 1, 2026; July 1, 2028.

Explanation of State Expenditures: (Revised) *CCDF Funding:* Depending on actions taken by the Budget Agency and Budget Committee, the bill would affect spending from the Financial Responsibility and Opportunity Growth Fund in FY 2026 and FY 2027. The bill allows the Budget Agency, with Budget Committee approval, to use the appropriation to this fund or augment the fund to provide funding to the Child Care and Development Fund voucher program.

HEA 1001-2025 made a biennial appropriation of \$300 M to the Financial Responsibility and Opportunity Growth Fund. Currently, this money may be used to augment the following appropriations:

- State correctional facilities operations appropriation made to the Department of Correction,
- Medicaid assistance appropriation made to the Family and Social Services Administration, and
- Family and Children Fund appropriation made to the Department of Child Services.

Executive Order Fiscal Notes: The Legislative Services Agency should be able to publish the required fiscal impact analysis with current resources.

Pokagon Indiana Education Fund: This provision has no state or local fiscal impact.

Tax Credits: The State Budget Committee and the Indiana Economic Development Corporation can implement this provision with current resources.

(Revised) Study of Court Fees and Fines: If the Interim Study Committee on Courts and the Judiciary were to hold additional meetings to address this topic, there would be additional expenditures for legislator per diem and travel reimbursement for the committee members. Any additional expenditures must be within the committee's budget, which is established by the Legislative Council.

Explanation of State Revenues:

Explanation of Local Expenditures: *Budget Review:* City, town, and county fiscal bodies should be able to implement the changes to public library budget review processes with current resources.

(Revised) Community Mental Health Centers: The bill could reduce property tax funding for community mental health centers (CMHCs) after July 1, 2028. The impact will depend on each county's decision. [Indiana has 24 CMHCs, which are nonprofits that provide comprehensive behavioral health care to adults, adolescents, and children experiencing mental illness or substance use disorder.]

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency; State Budget Committee; State Budget Agency; Indiana Economic Development Corporation; Family and Social Services Administration; General Assembly.

Local Agencies Affected: City, town, and county fiscal bodies; public libraries.

Information Sources:

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