

SENATE BILL No. 4

AM000402 has been incorporated into introduced printing.

Synopsis: Various fiscal matters.

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Introduced

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

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

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

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

SENATE BILL No. 4

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

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1 to serve as chief executive under the council;
 2 (3) adopt rules and regulations governing personnel practices
 3 and establishing the rights, privileges, powers, and duties of all
 4 employees;
 5 (4) provide for employees to be covered by the public employees'
 6 retirement fund; and
 7 (5) establish a pay scale for all employees including the
 8 executive director.

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

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

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

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

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

27 (1) the legislative council; and
 28 (2) the budget committee.

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

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1 SECTION 3. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,
 2 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate
 4 amount of applicable tax credits that the corporation may certify:

5 (1) for each state fiscal year ending on or before June 30, 2025,
 6 for all taxpayers is two hundred fifty million dollars
 7 (\$250,000,000); and
 8 (2) for each state fiscal year ending on or after July 1, 2025, for
 9 all taxpayers is three hundred million dollars (\$300,000,000).
 10 Each ~~certification under this subdivision~~ **initial tax credit**
 11 **award** is subject to budget committee review.

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

15 (1) An applicable tax credit is considered awarded in the state
 16 fiscal year in which the taxpayer can first claim the credit,
 17 determined without regard to any carryforward period or
 18 carryback period.

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

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

27 (c) Notwithstanding subsection (a), if the corporation determines
 28 that:

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

31 (2) certification of the applicable tax credit will result in an
 32 aggregate amount of applicable tax credits certified for that state
 33 fiscal year that exceeds the maximum amount provided in
 34 subsection (a);

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

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

38 SECTION 4. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025,
 39 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 20. (a) This section applies to each governing
 41 body of a taxing unit that is not comprised of a majority of officials



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

6 (b) As used in this section, "taxing unit" has the meaning set forth
7 in IC 6-1.1-1-21, except that the term does not include a ~~public library~~
8 or an entity whose tax levies are subject to review and modification by
9 a city-county legislative body under IC 36-3-6-9.

10 (c) If:

11 (1) the assessed valuation of a taxing unit is entirely contained
12 within a city or town; or

13 (2) the assessed valuation of a taxing unit is not entirely
14 contained within a city or town but:

15 (A) the taxing unit was originally established by the city or
16 town; or

17 (B) the majority of the individuals serving on the governing
18 body of the taxing unit are appointed by the city or town;

19 the governing body shall submit its proposed budget and property tax
20 levy to the city or town fiscal body. The proposed budget and levy shall
21 be submitted to the city or town fiscal body in the manner prescribed
22 by the department of local government finance before September 2 of
23 a year.

24 (d) If subsection (c) does not apply, the governing body of the
25 taxing unit shall submit its proposed budget and property tax levy to the
26 county fiscal body in the county where the taxing unit has the most
27 assessed valuation. The proposed budget and levy shall be submitted
28 to the county fiscal body in the manner prescribed by the department
29 of local government finance before September 2 of a year.

30 (e) The fiscal body of the city, town, or county (whichever applies)
31 shall review each budget and proposed tax levy and adopt a final
32 budget and tax levy for the taxing unit. The fiscal body may reduce or
33 modify but not increase the proposed budget or tax levy.

34 (f) If a taxing unit fails to file the information required in
35 subsection (c) or (d), whichever applies, with the appropriate fiscal
36 body by the time prescribed by this section, when calculating the
37 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
38 the taxing unit for the ensuing budget year, instead of multiplying the
39 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)
40 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
41 maximum permissible ad valorem property tax levy for the preceding



1 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
 2 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
 3 maximum permissible ad valorem property tax levy for the preceding
 4 calendar year must 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 taxing unit files the information as required in
 14 subsection (c) or (d), whichever applies, for the budget year
 15 immediately following the budget year for which the formula under this
 16 subsection is applied, when calculating the maximum ad valorem
 17 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
 18 subsequent budget year, the taxing unit's maximum permissible ad
 19 valorem property tax levy must be calculated as if the formula under
 20 this subsection had not been applied for the affected budget year.

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

34 STEP ONE: Determine:

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

38 STEP TWO: Multiply:

- 39 (A) the STEP ONE result; by
 40 (B) eight-tenths (0.8).

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



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

9 SECTION 5. IC 6-1.1-17-20.3 IS REPEALED [EFFECTIVE
 10 JULY 1, 2026]. See: 20.3. (a) Except as provided in section 20.4 of this
 11 chapter, this section applies only to the governing body of a public
 12 library that:

- 13 (1) is not comprised of a majority of officials who are elected to
 14 serve on the governing body; and
- 15 (2) has a percentage increase in the proposed budget for the
 16 taxing unit for the ensuing calendar year that is more than the
 17 result of:
 - 18 (A) the maximum levy growth quotient determined under
 19 IC 6-1.1-18.5-2 for the ensuing calendar year, rounded to
 20 the nearest thousandth (0.001); minus
 - 21 (B) one (1).

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

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

30 (c) If:

- 31 (1) the assessed valuation of a public library's territory is entirely
 32 contained within a city or town; or
- 33 (2) the assessed valuation of a public library's territory is not
 34 entirely contained within a city or town but more than fifty
 35 percent (50%) of the assessed valuation of the public library's
 36 territory is contained within the city or town;

37 the governing body shall submit its proposed budget and property tax
 38 levy to the city or town fiscal body in the manner prescribed by the
 39 department of local government finance before September 2 of a year.
 40 However, the governing body shall submit its proposed budget and
 41 property tax levy to the county fiscal body in the manner provided in



1 subsection (d), rather than to the city or town fiscal body, if more than
 2 fifty percent (50%) of the parcels of real property within the
 3 jurisdiction of the public library are located outside the city or town.

4 (d) If subsection (e) does not apply or the public library's territory
 5 covers more than one (1) county, the governing body of the public
 6 library shall submit its proposed budget and property tax levy to the
 7 county fiscal body in the county where the public library has the most
 8 assessed valuation. The proposed budget and levy shall be submitted
 9 to the county fiscal body in the manner prescribed by the department
 10 of local government finance before September 2 of a year.

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

15 (f) If a public library fails to file the information required in
 16 subsection (e) or (d), whichever applies, with the appropriate fiscal
 17 body by the time prescribed by this section, when calculating the
 18 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
 19 the public library for the ensuing budget year, instead of multiplying
 20 the maximum levy growth quotient determined under
 21 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
 22 the public library's maximum permissible ad valorem property tax levy
 23 for the preceding calendar year as prescribed in STEP TWO of
 24 IC 6-1.1-18.5-3(a), for purposes of STEP TWO of IC 6-1.1-18.5-3(a),
 25 the public library's maximum permissible ad valorem property tax levy
 26 for the preceding calendar year must instead be multiplied by the result
 27 of the following:

28 STEP ONE: Determine:

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

32 STEP TWO: Multiply:

33 (A) the STEP ONE result; by
 34 (B) eight-tenths (0.8).

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

36 However, if the public library files the information as required in
 37 subsection (e) or (d), whichever applies, for the budget year
 38 immediately following the budget year for which the formula under this
 39 subsection is applied, when calculating the maximum ad valorem
 40 property tax levy under IC 6-1.1-18.5-3(a) for the public library for the
 41 subsequent budget year, the public library's maximum permissible ad



1 valorem property tax levy must be calculated as if the formula under
 2 this subsection had not been applied for the affected budget year.

3 (g) If the appropriate fiscal body fails to complete the requirements
 4 of subsection (e) before the adoption deadline in section 5 of this
 5 chapter for any public library subject to this section, when calculating
 6 the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a)
 7 for the city, town, or county for the ensuing budget year, instead of
 8 multiplying the maximum levy growth quotient determined under
 9 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by
 10 the city's, town's, or county's maximum permissible ad valorem
 11 property tax levy for the preceding calendar year as prescribed in STEP
 12 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
 13 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
 14 ad valorem property tax levy for the preceding calendar year must
 15 instead be multiplied by the result of the following:

16 STEP ONE: Determine:

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

19 (B) one (1).

20 STEP TWO: Multiply:

21 (A) the STEP ONE result; by

22 (B) eight-tenths (0.8).

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

24 However, if the city, town, or county files the information as required
 25 in subsection (e) for the budget year immediately following the budget
 26 year for which the formula under this subsection is applied, when
 27 calculating the maximum ad valorem property tax levy under
 28 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
 29 budget year, the unit's maximum permissible ad valorem property tax
 30 levy must be calculated as if the formula under this subsection had not
 31 been applied for the affected budget year.

32 SECTION 6. IC 6-1.1-17-20.4 IS REPEALED [EFFECTIVE
 33 JULY 1, 2026]. Sec. 20.4. (a) This section applies only if on December
 34 31, as reported in the public library's annual report under IC 5-11-1-4,
 35 the cash balance of all funds of the public library derived from tax
 36 revenue is greater than one hundred fifty percent (150%) of the public
 37 library's certified budget for the ensuing year.

38 (b) If section 20.3(a)(2) of this chapter does not apply, the fiscal
 39 body of a city, town, or county may adopt a resolution to require the
 40 public library to submit its proposed budget and property tax levy to the
 41 city, town, or county fiscal body as set forth in section 20.3(e) or



1 20.3(d) of this chapter (whichever is applicable) for binding review and
 2 approval as set forth under section 20.3 of this chapter. However, the
 3 fiscal body of the city, town, or county may not reduce a public library's
 4 proposed budget or tax levy in a budget year under this section by more
 5 than ten percent (10%) of the public library's operating levy in the
 6 immediately preceding budget year.

7 (c) A resolution may be adopted under this section not later than
 8 July 1. A resolution adopted under this section remains in full force and
 9 effect until the December 31 cash balance of all funds of the public
 10 library derived from tax revenue, as reported in the public library's
 11 annual report under IC 5-11-1-4, no longer exceed one hundred fifty
 12 percent (150%) of the public library's certified budget for the ensuing
 13 year.

14 (d) Before a fiscal body may adopt a resolution under this section,
 15 the fiscal body must hold a public hearing on the proposed resolution
 16 and provide the public with notice of the time and place where the
 17 public hearing will be held. The notice required by this subsection must
 18 be given in accordance with IC 5-3-1 and include the proposed
 19 resolution. In addition to the notice required by this subsection, the
 20 fiscal body shall also provide a copy of the notice to all taxing units in
 21 the city, town, or county at least thirty (30) days before the public
 22 hearing.

23 (e) A resolution adopted by a fiscal body under this section shall
 24 be submitted to:

25 (1) the department of local government finance; and
 26 (2) the public library;

27 not later than five (5) days after the date the resolution is adopted.

28 SECTION 7. IC 6-1.1-17-20.6 IS REPEALED [EFFECTIVE
 29 JULY 1, 2026]. See: 20.6. (a) Each public library shall identify the
 30 applicable city, town, or county fiscal body that receives a public
 31 library's proposed budget as provided in section 20.3(c) or 20.3(d) of
 32 this chapter.

33 (b) Not later than October 1, 2020, a public library shall report the
 34 applicable city, town, or county fiscal body identified under subsection
 35 (a) to the Indiana state library. The report submitted to the state library
 36 must contain:

37 (1) the name of the public library;
 38 (2) the appropriate fiscal body of a city, town, or county to
 39 review a library budget under section 20.3(c) or 20.3(d) of this
 40 chapter; and
 41 (3) after adoption by the respective board, the signatures of the



1 public library board president and the appropriate fiscal body
 2 president.

3 The Indiana state library shall provide the information submitted to the
 4 Indiana state library under this subsection to the department of local
 5 government finance by not later than November 1, 2020.

6 (c) If a fiscal body, other than the fiscal body identified by the
 7 public library under subsection (a), objects to the public library's
 8 determination under subsection (a), the objecting fiscal body may
 9 submit a formal objection to:

10 (1) the Indiana state library;
 11 (2) the public library; and
 12 (3) the fiscal body identified under subsection (a) by the public
 13 library.

14 (d) If a public library:

15 (1) is unable to identify the applicable fiscal body under
 16 subsection (a);
 17 (2) does not complete the reporting requirements established in
 18 subsection (b); or
 19 (3) has a formal objection filed under subsection (c) against the
 20 public library's fiscal body designation under subsection (a);

21 the public library shall file an original action seeking a declaratory
 22 judgment in a court with jurisdiction to identify the appropriate fiscal
 23 body. The public library shall file a copy of the declaratory judgment
 24 with the Indiana state library within thirty (30) days of the court's entry
 25 of judgment.

26 (e) The Indiana state library shall provide the information
 27 submitted to the Indiana state library under subsection (b) to the
 28 department of local government finance by not later than November 1,
 29 2020.

30 (f) If there is a change in the territory of the public library:
 31 (1) the public library shall submit a report under subsection (b)
 32 to the Indiana state library not later than October 1; and
 33 (2) the Indiana state library shall report the information under
 34 subsection (b) to the department of local government finance not
 35 later than November 1;

36 in the year the change in territory becomes effective. Subsections (c)
 37 and (d) apply to the public library and to any fiscal body that objects to
 38 the public library's designation under subsection (a).

39 SECTION 8. IC 6-1.1-18-5, AS AMENDED BY P.L.156-2024,
 40 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2026]: Sec. 5. (a) If the proper officers of a political



1 subdivision desire to appropriate more money for a particular year than
2 the amount prescribed in the budget for that year as finally determined
3 under this article, they shall hold a public hearing after submitting the
4 following information regarding the proposed additional appropriation
5 to the department's computer gateway:

- (1) The amount of the additional appropriation.
- (2) The name of the affected fund.
- (3) The name and account number of the affected account.
- (4) The date, time, and place at which the political subdivision or appropriate fiscal body will hold a public hearing on the proposed additional appropriation.

(b) If the additional appropriation by the political subdivision is made from a fund for which the budget, rate, or levy is certified by the department of local government finance under IC 6-1.1-17-16, the political subdivision must report the additional appropriation to the department of local government finance in the manner prescribed by the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

41 (f) When the department of local government finance receives a

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1 certified copy of a proposal for an additional appropriation under
 2 subsection (e), the department shall determine whether sufficient funds
 3 are available or will be available for the proposal. The determination
 4 shall be made in writing and sent to the political subdivision not more
 5 than fifteen (15) days after the department of local government finance
 6 receives the proposal.

7 (g) In making the determination under subsection (f), the
 8 department of local government finance shall limit the amount of the
 9 additional appropriation to revenues available, or to be made available,
 10 which have not been previously appropriated.

11 (h) If the department of local government finance disapproves an
 12 additional appropriation under subsection (f), the department shall
 13 specify the reason for its disapproval on the determination sent to the
 14 political subdivision.

15 (i) A political subdivision may request a reconsideration of a
 16 determination of the department of local government finance under this
 17 section by filing a written request for reconsideration. A request for
 18 reconsideration must:

19 (1) be filed with the department of local government finance
 20 within fifteen (15) days of the receipt of the determination by the
 21 political subdivision; and

22 (2) state with reasonable specificity the reason for the request.
 23 The department of local government finance must act on a request for
 24 reconsideration within fifteen (15) days of receiving the request.

25 (j) This subsection applies to an additional appropriation by a
 26 political subdivision that must have the political subdivision's annual
 27 appropriations and annual tax levy adopted by a city, town, or county
 28 fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or
 29 fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city,
 30 town, or county that adopted the political subdivision's annual
 31 appropriation and annual tax levy must adopt the additional
 32 appropriation by ordinance before the department of local government
 33 finance may approve the additional appropriation.

34 (k) This subsection applies to a public library that is not required
 35 to submit the public library's budgets, tax rates, and tax levies for
 36 binding review and approval under IC 6-1.1-17-20 or IC 6-1.1-17-20.4.
 37 If a public library subject to this subsection proposes to make an
 38 additional appropriation for a year, and the additional appropriation
 39 would result in the budget for the library for that year increasing (as
 40 compared to the previous year) by a percentage that is greater than the
 41 result of the maximum levy growth quotient determined under



1 IC 6-1-18.5-2 for the calendar year minus one (1), the additional
 2 appropriation must first be approved by the city, town, or county fiscal
 3 body described in IC 6-1-17-20.3(c) or IC 6-1-17-20.3(d), as
 4 appropriate.

5 (f) (k) This subsection applies to an appropriation for which the
 6 underlying purpose is a bond issue. The political subdivision shall
 7 include the appropriation for the bond proceeds in the budget of the
 8 political subdivision for the ensuing year adopted under IC 6-1-17.
 9 If the political subdivision does not include the appropriation for the
 10 bond proceeds as required by this subsection, the political subdivision
 11 shall comply with the requirements of this section in the year in which
 12 the bond proceeds are received, but may not take an action pursuant to
 13 this section in a year before the year in which the bond proceeds are
 14 received.

15 (m) (l) The proper officers of a political subdivision shall submit
 16 the information described in subsection (a)(1) through (a)(4), in a
 17 manner prescribed by the department, to the department's computer
 18 gateway at least fourteen (14) days prior to the public hearing. The
 19 department shall make the information submitted by the political
 20 subdivision available to taxpayers through the department's computer
 21 gateway at least ten (10) days prior to the public hearing. If the date,
 22 time, or place of the public hearing changes following the original
 23 submission of the information to the department's computer gateway,
 24 the political subdivision shall submit the updated information to the
 25 department's computer gateway as soon as possible.

26 SECTION 9. IC 6-1-18.5-12, AS AMENDED BY P.L.68-2025,
 27 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]: Sec. 12. (a) Any civil taxing unit that incurs increased
 29 costs resulting from annexation, a natural disaster, an accident, or
 30 another unanticipated emergency, and determines that it cannot carry
 31 out its governmental functions for an ensuing calendar year under the
 32 levy limitations imposed by section 3 or 25 of this chapter, as
 33 applicable, may, subject to subsections (h) and (i):

34 (1) before October 20 of the calendar year immediately
 35 preceding the ensuing calendar year; or
 36 (2) in the case of a request described in section 16 of this
 37 chapter, before December 31 of the calendar year immediately
 38 preceding the ensuing calendar year;
 39 appeal to the department of local government finance for relief from
 40 those levy limitations. In the appeal the civil taxing unit must state that
 41 it will be unable to carry out the governmental functions committed to



1 it by law unless it is given the authority that it is petitioning for. The
 2 civil taxing unit must support these allegations by reasonably detailed
 3 statements of fact.

4 (b) The department of local government finance shall immediately
 5 proceed to the examination and consideration of the merits of the civil
 6 taxing unit's appeal.

7 (c) In considering an appeal, the department of local government
 8 finance has the power to conduct hearings, require any officer or
 9 member of the appealing civil taxing unit to appear before it, or require
 10 any officer or member of the appealing civil taxing unit to provide the
 11 department with any relevant records or books.

12 (d) If an officer or member:

13 (1) fails to appear at a hearing after having been given written
 14 notice requiring that person's attendance; or

15 (2) fails to produce the books and records that the department by
 16 written notice required the officer or member to produce;

17 then the department may file an affidavit in the circuit court, superior
 18 court, or probate court in the jurisdiction in which the officer or
 19 member may be found setting forth the facts of the failure.

20 (e) Upon the filing of an affidavit under subsection (d), the court
 21 shall promptly issue a summons, and the sheriff of the county within
 22 which the court is sitting shall serve the summons. The summons must
 23 command the officer or member to appear before the department to
 24 provide information to the department or to produce books and records
 25 for the department's use, as the case may be. Disobedience of the
 26 summons constitutes, and is punishable as, a contempt of the court that
 27 issued the summons.

28 (f) All expenses incident to the filing of an affidavit under
 29 subsection (d) and the issuance and service of a summons shall be
 30 charged to the officer or member against whom the summons is issued,
 31 unless the court finds that the officer or member was acting in good
 32 faith and with reasonable cause. If the court finds that the officer or
 33 member was acting in good faith and with reasonable cause or if an
 34 affidavit is filed and no summons is issued, the expenses shall be
 35 charged against the county in which the affidavit was filed and shall be
 36 allowed by the proper fiscal officers of that county.

37 (g) The fiscal officer of a civil taxing unit that appeals under
 38 section 16 of this chapter for relief from levy limitations shall
 39 immediately file a copy of the appeal petition with the county auditor
 40 and the county treasurer of the county in which the unit is located.

41 (h) This subsection applies to a civil taxing unit whose budget for



1 the upcoming year is subject to review by a fiscal body under
 2 (1) IC 6-1.1-17-20.
 3 (2) IC 6-1.1-17-20.3; or
 4 (3) IC 6-1.1-17-20.4.

5 A civil taxing unit described in this subsection may not submit an
 6 appeal under this section unless the civil taxing unit receives approval
 7 from the appropriate fiscal body to submit the appeal.

8 (i) A participating unit of a fire protection territory may not submit
 9 an appeal under this section unless each participating unit of the fire
 10 protection territory has adopted a resolution approving submission of
 11 the appeal.

12 SECTION 10. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
 13 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 2. (a) A county ~~shall~~ **may** provide funding for the
 15 operation of community mental health centers in the amount
 16 determined under subsection (b) or, in the case of Marion County for
 17 calendar year 2019, calendar year 2020, and calendar year 2021, the
 18 amount determined under subsection (c).

19 (b) Except as provided in subsection (c), the amount of funding
 20 under subsection (a) for a calendar year ~~is~~ **may** equal **up** to the
 21 following:

22 (1) The county's maximum appropriation amount for the
 23 operation of community mental health centers determined under
 24 this chapter in the previous calendar year, if the STEP THREE
 25 result under the following formula is less than or equal to zero
 26 (0):

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

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

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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).

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

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

(A) the actual amount of the appropriations by the county



1 for community mental health centers under this chapter in
 2 2018; plus
 3 (B) the result of thirty-three percent (33%) multiplied by the
 4 result of:
 5 (i) the amount that would have, except for the
 6 application of this subsection, applied to the county
 7 under subsection (b) for calendar year 2019; minus
 8 (ii) the actual amount of the appropriations by the
 9 county for community mental health centers under this
 10 chapter in 2018.

11 (2) For calendar year 2020, the sum of:
 12 (A) the actual amount of the appropriations by the county
 13 for community mental health centers under this chapter in
 14 2019; plus
 15 (B) the result of sixty-six percent (66%) multiplied by the
 16 result of:
 17 (i) the amount that would have, except for the
 18 application of this subsection, applied to the county
 19 under subsection (b) for calendar year 2020; minus
 20 (ii) the actual amount of the appropriations by the
 21 county for community mental health centers under this
 22 chapter in 2019.

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

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

30 (d) The funding provided by a county under this section shall be
 31 used solely for:
 32 (1) the operations of community mental health centers serving
 33 the county; or
 34 (2) contributing to the nonfederal share of medical assistance
 35 payments to community mental health centers serving the
 36 county.

37 SECTION 11. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]

38 (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**

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1 **responsibility and opportunity growth fund for the purpose of**
2 **providing funding to the Child Care and Development Fund**
3 **voucher program administered by the family and social services**
4 **administration in addition to the uses for the appropriation as**
5 **authorized in P.L.213-2025 (HEA 1001-2025).**

6 **(b) This SECTION expires July 1, 2027.**
7 SECTION 12. An emergency is declared for this act.

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