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SENATE BILL No. 4

Proposed Changes to introduced printing by AM000402

DIGEST OF PROPOSED AMENDMENT

CCDF funding. Authorizes the budget agency, subject to budget committee review, to use the appropriation to the financial responsibility and opportunity growth fund in 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 in addition to the current uses for the appropriation authorized in HEA 1001-2025.

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

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

40 SECTION 3. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,
 41 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate



1 amount of applicable tax credits that the corporation may certify:

2 (1) for each state fiscal year ending on or before June 30, 2025,
 3 for all taxpayers is two hundred fifty million dollars
 4 (\$250,000,000); and

5 (2) for each state fiscal year ending on or after July 1, 2025, for
 6 all taxpayers is three hundred million dollars (\$300,000,000).

7 Each ~~certification under this subdivision initial tax credit~~
 8 **award** is subject to budget committee review.

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

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

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

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

24 (c) Notwithstanding subsection (a), if the corporation determines
 25 that:

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

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

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

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

35 SECTION 4. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025,
 36 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2026]: Sec. 20. (a) This section applies to each governing
 38 body of a taxing unit that is not comprised of a majority of officials
 39 who are elected to serve on the governing body. For purposes of this
 40 section, an individual who qualifies to be appointed to a governing
 41 body or serves on a governing body because of the individual's status
 42 as an elected official of another taxing unit shall be treated as an



1 official who was not elected to serve on the governing body.

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

6 (c) If:

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

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

11 (A) the taxing unit was originally established by the city or
 12 town; or

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

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

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

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

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

42 STEP ONE: Determine:

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(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.

8 However, if the taxing unit files the information as required in
9 subsection (c) or (d), whichever applies, for the budget year
10 immediately following the budget year for which the formula under this
11 subsection is applied, when calculating the maximum ad valorem
12 property tax levy under IC 6-1.1-18.5-3(a) for the taxing unit for the
13 subsequent budget year, the taxing unit's maximum permissible ad
14 valorem property tax levy must be calculated as if the formula under
15 this subsection had not been applied for the affected budget year.

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.

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



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

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

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

9 (2) has a percentage increase in the proposed budget for the
 10 taxing unit for the ensuing calendar year that is more than the
 11 result of:

12 (A) the maximum levy growth quotient determined under
 13 IC 6-1.1-18.5-2 for the ensuing calendar year, rounded to
 14 the nearest thousandth (0.001); minus

15 (B) one (1):

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

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

24 (c) If:

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

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

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

39 (d) If subsection (c) does not apply or the public library's territory
 40 covers more than one (1) county, the governing body of the public
 41 library shall submit its proposed budget and property tax levy to the
 42 county fiscal body in the county where the public library has the most



1 assessed valuation. The proposed budget and levy shall be submitted
 2 to the county fiscal body in the manner prescribed by the department
 3 of local government finance before September 2 of a year.

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

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

21 STEP ONE: Determine:

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

24 (B) one (1).

25 STEP TWO: Multiply:

26 (A) the STEP ONE result; by

27 (B) eight-tenths (0.8).

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

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

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



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

8 STEP ONE: Determine:

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

12 STEP TWO: Multiply:

13 (A) the STEP ONE result; by
 14 (B) eight-tenths (0.8).

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

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

24 SECTION 6. IC 6-1.1-17-20.4 IS REPEALED [EFFECTIVE
 25 JULY 1, 2026]. See: 20.4. (a) This section applies only if on December
 26 31, as reported in the public library's annual report under IC 5-11-1-4,
 27 the cash balance of all funds of the public library derived from tax
 28 revenue is greater than one hundred fifty percent (150%) of the public
 29 library's certified budget for the ensuing year.

30 (b) If section 20.3(a)(2) of this chapter does not apply, the fiscal
 31 body of a city, town, or county may adopt a resolution to require the
 32 public library to submit its proposed budget and property tax levy to the
 33 city, town, or county fiscal body as set forth in section 20.3(e) or
 34 20.3(d) of this chapter (whichever is applicable) for binding review and
 35 approval as set forth under section 20.3 of this chapter. However, the
 36 fiscal body of the city, town, or county may not reduce a public library's
 37 proposed budget or tax levy in a budget year under this section by more
 38 than ten percent (10%) of the public library's operating levy in the
 39 immediately preceding budget year.

40 (c) A resolution may be adopted under this section not later than
 41 July 1. A resolution adopted under this section remains in full force and
 42 effect until the December 31 cash balance of all funds of the public

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1 library derived from tax revenue, as reported in the public library's
 2 annual report under IC 5-11-1-4, no longer exceed one hundred fifty
 3 percent (150%) of the public library's certified budget for the ensuing
 4 year.

5 (d) Before a fiscal body may adopt a resolution under this section,
 6 the fiscal body must hold a public hearing on the proposed resolution
 7 and provide the public with notice of the time and place where the
 8 public hearing will be held. The notice required by this subsection must
 9 be given in accordance with IC 5-3-1 and include the proposed
 10 resolution. In addition to the notice required by this subsection, the
 11 fiscal body shall also provide a copy of the notice to all taxing units in
 12 the city, town, or county at least thirty (30) days before the public
 13 hearing.

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

16 (1) the department of local government finance; and
 17 (2) the public library;

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

19 SECTION 7. IC 6-1-17-20.6 IS REPEALED [EFFECTIVE
 20 JULY 1, 2026]. See. 20.6. (a) Each public library shall identify the
 21 applicable city, town, or county fiscal body that receives a public
 22 library's proposed budget as provided in section 20.3(e) or 20.3(d) of
 23 this chapter.

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

28 (1) the name of the public library;
 29 (2) the appropriate fiscal body of a city, town, or county to
 30 review a library budget under section 20.3(e) or 20.3(d) of this
 31 chapter; and
 32 (3) after adoption by the respective board, the signatures of the
 33 public library board president and the appropriate fiscal body
 34 president.

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

38 (c) If a fiscal body, other than the fiscal body identified by the
 39 public library under subsection (a), objects to the public library's
 40 determination under subsection (a), the objecting fiscal body may
 41 submit a formal objection to:

42 (1) the Indiana state library;



4 (d) If a public library:

5 (1) is unable to identify the applicable fiscal body under
6 subsection (a);

7 (2) does not complete the reporting requirements established in
8 subsection (b); or

11 the public library shall file an original action seeking a declaratory
12 judgment in a court with jurisdiction to identify the appropriate fiscal
13 body. The public library shall file a copy of the declaratory judgment
14 with the Indiana state library within thirty (30) days of the court's entry
15 of judgment.

20 (f) If there is a change in the territory of the public library:

(1) the public library shall submit a report under subsection (b) to the Indiana state library not later than October 1; and

(2) the Indiana state library shall report the information under subsection (b) to the department of local government finance not later than November 1;

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

28 the public library's designation under subsection (5).
29 SECTION 8. IC 6-1.1-18-5, AS AMENDED BY P.L.156-2024,
30 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2026]: Sec. 5. (a) If the proper officers of a political
32 subdivision desire to appropriate more money for a particular year than
33 the amount prescribed in the budget for that year as finally determined
34 under this article, they shall hold a public hearing after submitting the
35 following information regarding the proposed additional appropriation
36 to the department's computer gateway:

37 (1) The amount of the additional appropriation.

38 (2) The name of the affected fund.

39 (3) The name and account number of the affected account.

40 (4) The date, time, and place at which the political subdivision
41 or appropriate fiscal body will hold a public hearing on the
42 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.

21 (e) Subject to subsections subsection (j), and (k), after the public
22 hearing, the proper officers of the political subdivision shall file a
23 certified copy of their final proposal and any other relevant information
24 to the department of local government finance not later than fifteen
25 (15) days after the additional appropriation is adopted by the
26 appropriate fiscal body. If the additional appropriation is not submitted
27 to the department of local government finance within fifteen (15) days
28 after adoption, the department of local government finance may require
29 the political subdivision to conduct a readoption hearing.



1 specify the reason for its disapproval on the determination sent to the
 2 political subdivision.

3 (i) A political subdivision may request a reconsideration of a
 4 determination of the department of local government finance under this
 5 section by filing a written request for reconsideration. A request for
 6 reconsideration must:

7 (1) be filed with the department of local government finance
 8 within fifteen (15) days of the receipt of the determination by the
 9 political subdivision; and

10 (2) state with reasonable specificity the reason for the request.

11 The department of local government finance must act on a request for
 12 reconsideration within fifteen (15) days of receiving the request.

13 (j) This subsection applies to an additional appropriation by a
 14 political subdivision that must have the political subdivision's annual
 15 appropriations and annual tax levy adopted by a city, town, or county
 16 fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or
 17 fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city,
 18 town, or county that adopted the political subdivision's annual
 19 appropriation and annual tax levy must adopt the additional
 20 appropriation by ordinance before the department of local government
 21 finance may approve the additional appropriation.

22 (k) This subsection applies to a public library that is not required
 23 to submit the public library's budgets, tax rates, and tax levies for
 24 binding review and approval under IC 6-1.1-17-20 or IC 6-1.1-17-20.4.
 25 If a public library subject to this subsection proposes to make an
 26 additional appropriation for a year, and the additional appropriation
 27 would result in the budget for the library for that year increasing (as
 28 compared to the previous year) by a percentage that is greater than the
 29 result of the maximum levy growth quotient determined under
 30 IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional
 31 appropriation must first be approved by the city, town, or county fiscal
 32 body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20.3(d), as
 33 appropriate.

34 (l) (k) This subsection applies to an appropriation for which the
 35 underlying purpose is a bond issue. The political subdivision shall
 36 include the appropriation for the bond proceeds in the budget of the
 37 political subdivision for the ensuing year adopted under IC 6-1.1-17.
 38 If the political subdivision does not include the appropriation for the
 39 bond proceeds as required by this subsection, the political subdivision
 40 shall comply with the requirements of this section in the year in which
 41 the bond proceeds are received, but may not take an action pursuant to
 42 this section in a year before the year in which the bond proceeds are



1 received.

2 (m) (1) The proper officers of a political subdivision shall submit
 3 the information described in subsection (a)(1) through (a)(4), in a
 4 manner prescribed by the department, to the department's computer
 5 gateway at least fourteen (14) days prior to the public hearing. The
 6 department shall make the information submitted by the political
 7 subdivision available to taxpayers through the department's computer
 8 gateway at least ten (10) days prior to the public hearing. If the date,
 9 time, or place of the public hearing changes following the original
 10 submission of the information to the department's computer gateway,
 11 the political subdivision shall submit the updated information to the
 12 department's computer gateway as soon as possible.

13 SECTION 9. IC 6-1.1-18.5-12, AS AMENDED BY P.L.68-2025,
 14 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2026]: Sec. 12. (a) Any civil taxing unit that incurs increased
 16 costs resulting from annexation, a natural disaster, an accident, or
 17 another unanticipated emergency, and determines that it cannot carry
 18 out its governmental functions for an ensuing calendar year under the
 19 levy limitations imposed by section 3 or 25 of this chapter, as
 20 applicable, may, subject to subsections (h) and (i):

21 (1) before October 20 of the calendar year immediately
 22 preceding the ensuing calendar year; or

23 (2) in the case of a request described in section 16 of this
 24 chapter, before December 31 of the calendar year immediately
 25 preceding the ensuing calendar year;

26 appeal to the department of local government finance for relief from
 27 those levy limitations. In the appeal the civil taxing unit must state that
 28 it will be unable to carry out the governmental functions committed to
 29 it by law unless it is given the authority that it is petitioning for. The
 30 civil taxing unit must support these allegations by reasonably detailed
 31 statements of fact.

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

35 (c) In considering an appeal, the department of local government
 36 finance has the power to conduct hearings, require any officer or
 37 member of the appealing civil taxing unit to appear before it, or require
 38 any officer or member of the appealing civil taxing unit to provide the
 39 department with any relevant records or books.

40 (d) If an officer or member:

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



(2) fails to produce the books and records that the department by written notice required the officer or member to produce; then the department may file an affidavit in the circuit court, superior court, or probate court in the jurisdiction in which the officer or member may be found setting forth the facts of the failure.

14 (f) All expenses incident to the filing of an affidavit under
15 subsection (d) and the issuance and service of a summons shall be
16 charged to the officer or member against whom the summons is issued,
17 unless the court finds that the officer or member was acting in good
18 faith and with reasonable cause. If the court finds that the officer or
19 member was acting in good faith and with reasonable cause or if an
20 affidavit is filed and no summons is issued, the expenses shall be
21 charged against the county in which the affidavit was filed and shall be
22 allowed by the proper fiscal officers of that county.

(h) This subsection applies to a civil taxing unit whose budget for the upcoming year is subject to review by a fiscal body under

(+) IC 6-1.1-17-20.

(2) IC 6-1.1-17-20.3; or

(3) IC 6-1.1-17-20.4.

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

35 (i) A participating unit of a fire protection territory may not submit
36 an appeal under this section unless each participating unit of the fire
37 protection territory has adopted a resolution approving submission of
38 the appeal.

39 SECTION 10. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
40 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 2. (a) A county ~~shall~~ **may** provide funding for the
42 operation of community mental health centers in the amount



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

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

7 (1) The county's maximum appropriation amount for the
 8 operation of community mental health centers determined under
 9 this chapter in the previous calendar year, if the STEP THREE
 10 result under the following formula is less than or equal to zero
 11 (0):

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

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

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

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

34 (A) one (1); or

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

36 STEP ONE: Determine the maximum levy growth
 37 quotient for the year under IC 6-1.1-18.5 minus one
 38 (1).

39 STEP TWO: Determine the amount of the certified
 40 levy for funds subject to the civil maximum levy in the
 41 immediately preceding calendar year minus the amount
 42 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).

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

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

25 (A) the actual amount of the appropriations by the county
26 for community mental health centers under this chapter in
27 2018; plus

28 (B) the result of thirty-three percent (33%) multiplied by the
29 result of:

30 (i) the amount that would have, except for the
31 application of this subsection, applied to the county
32 under subsection (b) for calendar year 2019; minus
33 (ii) the actual amount of the appropriations by the
34 county for community mental health centers under this
35 chapter in 2018.

36 (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

40 (B) the result of sixty-six percent (66%) multiplied by the
41 result of:

42 (i) the amount that would have, except for the

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1 application of this subsection, applied to the county
 2 under subsection (b) for calendar year 2020; minus
 3 (ii) the actual amount of the appropriations by the
 4 county for community mental health centers under this
 5 chapter in 2019.

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

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

13 (d) The funding provided by a county under this section shall be
 14 used solely for:

15 (1) the operations of community mental health centers serving
 16 the county; or

17 (2) contributing to the nonfederal share of medical assistance
 18 payments to community mental health centers serving the
 19 county.

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

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

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

31 [SECTION 1↔[2]. An emergency is declared for this act.]

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