

SENATE BILL No. 4

AM000405 has been incorporated into introduced printing.

Synopsis: Various fiscal matters.

M
e
r
g
e
d

2026

IN 4—LS 7099/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

2026

IN 4—LS 7099/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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.

M

e

r

g

e

d



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 tax credit award** is
11 subject to budget committee review:

12 **(A) beginning after February 1, 2026, and before May 1,
13 2026, after the first calendar quarter in which the award
14 is made; and**

15 **(B) after April 30, 2026, at the next budget committee
16 meeting immediately following the date of the tax credit
17 award.**

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

21 (1) An applicable tax credit is considered awarded in the state
22 fiscal year in which the taxpayer can first claim the credit,
23 determined without regard to any carryforward period or
24 carryback period.

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

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

33 (c) Notwithstanding subsection (a), if the corporation determines
34 that:

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

37 (2) certification of the applicable tax credit will result in an
38 aggregate amount of applicable tax credits certified for that state
39 fiscal year that exceeds the maximum amount provided in
40 subsection (a);

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



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

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

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

15 (c) If:

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

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

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

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

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

39 (f) If a taxing unit fails to file the information required in
40 subsection (c) or (d), whichever applies, with the appropriate fiscal
41 body by the time prescribed by this section, when calculating the



1 maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a) for
 2 the taxing unit for the ensuing budget year, instead of multiplying the
 3 maximum levy growth quotient determined under IC 6-1.1-18.5-2(b)
 4 or IC 6-1.1-18.5-2(e) (as applicable) for the year by the taxing unit's
 5 maximum permissible ad valorem property tax levy for the preceding
 6 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
 7 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
 8 maximum permissible ad valorem property tax levy for the preceding
 9 calendar year must instead be multiplied by the result of the following:

10 STEP ONE: Determine:

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

14 STEP TWO: Multiply:

15 (A) the STEP ONE result; by
 16 (B) eight-tenths (0.8).

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

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

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

39 STEP ONE: Determine:

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



(B) one (1).

STEP TWO: Multiply:

(A) the STEP ONE result; by

(B) eight-tenths (0.8).

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

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

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

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

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

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

(B) one (1).

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

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

(e) If:

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

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



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

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

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

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

33 STEP ONE: Determine:

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

37 STEP TWO: Multiply:

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

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

41 However, if the public library files the information as required in

M
e
r
g
e
d



1 subsection (e) or (d), whichever applies, for the budget year
 2 immediately following the budget year for which the formula under this
 3 subsection is applied; when calculating the maximum ad valorem
 4 property tax levy under IC 6-1.1-18.5-3(a) for the public library for the
 5 subsequent budget year, the public library's maximum permissible ad
 6 valorem property tax levy must be calculated as if the formula under
 7 this subsection had not been applied for the affected budget year.

8 (g) If the appropriate fiscal body fails to complete the requirements
 9 of subsection (e) before the adoption deadline in section 5 of this
 10 chapter for any public library subject to this section; when calculating
 11 the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a)
 12 for the city, town, or county for the ensuing budget year, instead of
 13 multiplying 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 city's, town's, or county's maximum permissible ad valorem
 16 property tax levy for the preceding calendar year as prescribed in STEP
 17 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of
 18 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible
 19 ad valorem property tax levy for the preceding calendar year must
 20 instead be multiplied by the result 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 city, town, or county files the information as required
 30 in subsection (e) for the budget year immediately following the budget
 31 year for which the formula under this subsection is applied; when
 32 calculating the maximum ad valorem property tax levy under
 33 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
 34 budget year, the unit's maximum permissible ad valorem property tax
 35 levy must be calculated as if the formula under this subsection had not
 36 been applied for the affected budget year.

37 SECTION 6. IC 6-1.1-17-20.4 IS REPEALED [EFFECTIVE
 38 JULY 1, 2026]. Sec. 20.4. (a) This section applies only if on December
 39 31, as reported in the public library's annual report under IC 5-11-1-4,
 40 the cash balance of all funds of the public library derived from tax
 41 revenue is greater than one hundred fifty percent (150%) of the public



1 library's certified budget for the ensuing year.

2 (b) If section 20.3(a)(2) of this chapter does not apply, the fiscal
 3 body of a city, town, or county may adopt a resolution to require the
 4 public library to submit its proposed budget and property tax levy to the
 5 city, town, or county fiscal body as set forth in section 20.3(c) or
 6 20.3(d) of this chapter (whichever is applicable) for binding review and
 7 approval as set forth under section 20.3 of this chapter. However, the
 8 fiscal body of the city, town, or county may not reduce a public library's
 9 proposed budget or tax levy in a budget year under this section by more
 10 than ten percent (10%) of the public library's operating levy in the
 11 immediately preceding budget year.

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

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

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

30 (1) the department of local government finance; and
 31 (2) the public library;

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

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

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



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

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

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

15 (1) the Indiana state library;

16 (2) the public library; and

19 (d) If a public library:

20 (†) is unable to identify the applicable fiscal body under
21 subsection (a);

22 (2) does not complete the reporting requirements established in
23 subsection (b); or
24 (3) has a formal objection filed under subsection (c) against the
25 public library's fiscal body designation under subsection (a);

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

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

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

41 in the year the change in territory becomes effective. Subsections (e)

2026

IN 4—LS 7099/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 and (d) apply to the public library and to any fiscal body that objects to
 2 the public library's designation under subsection (a).

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

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

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

25 (c) However, if the additional appropriation is not made from a
 26 fund described under subsection (b), subsections (f), (g), (h), and (i) do
 27 not apply to the political subdivision. Subsections (f), (g), (h), and (i)
 28 do not apply to an additional appropriation made from the cumulative
 29 bridge fund if the appropriation meets the requirements under
 30 IC 8-16-3-3(c).

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

37 (e) Subject to subsections subsection (j), and (k), after the public
 38 hearing, the proper officers of the political subdivision shall file a
 39 certified copy of their final proposal and any other relevant information
 40 to the department of local government finance not later than fifteen
 41 (15) days after the additional appropriation is adopted by the



1 appropriate fiscal body. If the additional appropriation is not submitted
 2 to the department of local government finance within fifteen (15) days
 3 after adoption, the department of local government finance may require
 4 the political subdivision to conduct a readoption hearing.

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

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

16 (h) If the department of local government finance disapproves an
 17 additional appropriation under subsection (f), the department shall
 18 specify the reason for its disapproval on the determination sent to the
 19 political subdivision.

20 (i) A political subdivision may request a reconsideration of a
 21 determination of the department of local government finance under this
 22 section by filing a written request for reconsideration. A request for
 23 reconsideration must:

24 (1) be filed with the department of local government finance
 25 within fifteen (15) days of the receipt of the determination by the
 26 political subdivision; and

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

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

39 (k) This subsection applies to a public library that is not required
 40 to submit the public library's budgets, tax rates, and tax levies for
 41 binding review and approval under IC 6-1.1-17-20 or IC 6-1.1-17-20.4.



1 If a public library subject to this subsection proposes to make an
 2 additional appropriation for a year, and the additional appropriation
 3 would result in the budget for the library for that year increasing (as
 4 compared to the previous year) by a percentage that is greater than the
 5 result of the maximum levy growth quotient determined under
 6 IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional
 7 appropriation must first be approved by the city, town, or county fiscal
 8 body described in IC 6-1.1-17-20.3(e) or IC 6-1.1-17-20.3(d), as
 9 appropriate.

10 (f) (k) This subsection applies to an appropriation for which the
 11 underlying purpose is a bond issue. The political subdivision shall
 12 include the appropriation for the bond proceeds in the budget of the
 13 political subdivision for the ensuing year adopted under IC 6-1.1-17.
 14 If the political subdivision does not include the appropriation for the
 15 bond proceeds as required by this subsection, the political subdivision
 16 shall comply with the requirements of this section in the year in which
 17 the bond proceeds are received, but may not take an action pursuant to
 18 this section in a year before the year in which the bond proceeds are
 19 received.

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

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

39 (1) before October 20 of the calendar year immediately
 40 preceding the ensuing calendar year; or
 41 (2) in the case of a request described in section 16 of this



1 chapter, before December 31 of the calendar year immediately
2 preceding the ensuing calendar year;

3 appeal to the department of local government finance for relief from
4 those levy limitations. In the appeal the civil taxing unit must state that
5 it will be unable to carry out the governmental functions committed to
6 it by law unless it is given the authority that it is petitioning for. The
7 civil taxing unit must support these allegations by reasonably detailed
8 statements of fact.

17 (d) If an officer or member:

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

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

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

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

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

2026

IN 4—LS 7099/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

5 (h) This subsection applies to a civil taxing unit whose budget for
6 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) ~~IE 6-1.1-17-20.4.~~

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

17 SECTION 10. IC 12-29-2-1.2, AS AMENDED BY
18 P.L.182-2009(ss), SECTION 300, IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 1.2. (a) The county
20 executive of a county may authorize the furnishing of financial
21 assistance for the purposes described in subsection (b) to a community
22 mental health center that is located or will be located:

(1) in the county;

(2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or

(3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

36 (1) Constructing a community mental health center.

37 (2) Operating a community mental health center.

38 (e) The appropriation from a county authorized under subsection

39 (a) may not exceed the product of the amount determined under section

40 2(b)(2) of this chapter for that year multiplied by one and five hundred
41 four thousandths (1.504).



1 ~~(d)~~ (c) For purposes of this subsection, "first calendar year" refers
 2 to the first calendar year after 2008 in which the county imposes an ad
 3 valorem property tax levy for the county general fund to provide
 4 financial assistance under this chapter. If a county did not provide
 5 financial assistance under this chapter in 2008, the county, for a
 6 following calendar year:

7 (1) may propose a financial assistance budget; and
 8 (2) shall refer its proposed financial assistance budget for the
 9 first calendar year to the department of local government finance
 10 before the tax levy is advertised.

11 The ad valorem property tax levy to fund the budget for the first
 12 calendar year is subject to review and approval under IC 6-1.1-18.5-10.

13 SECTION 11. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
 14 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2028]: Sec. 2. (a) A county ~~shall~~ **may** provide funding for the
 16 operation of community mental health centers. ~~in the amount~~
 17 determined under subsection (b) or, ~~in the case of Marion County for~~
 18 calendar year 2019, calendar year 2020, and calendar year 2021, the
 19 amount determined under subsection (c).

20 (b) Except as provided in subsection (c), the amount of funding
 21 under subsection (a) for a calendar year is equal to the 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.~~

M
e
r
g
e
d



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 (#).

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

2026

IN 4—LS 7099/DI 120



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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) (b) The funding provided by a county under this section shall
 31 be 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 12. IC 12-29-2-4, AS AMENDED BY P.L.76-2018,
 38 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2028]: Sec. 4. The amount derived from the calculation under
 40 section 2(b) of this chapter or, in the case of Marion County for
 41 calendar year 2019, calendar year 2020, and calendar year 2021, the

M
 e
 r
 g
 e
 d



1 calculation under section 2(c) of this chapter represents the combined
 2 maximum appropriation to all centers serving the particular county. If
 3 **the county provides funding under section 2 of this chapter for the**
 4 **operation of community mental health centers**, the allotment to each
 5 center shall be apportioned according to the proportion of:

- 6 (1) the county's population residing in the primary service area
 7 of each center that is certified by the division of mental health
 8 and addiction to serve the county; to
 9 (2) the total population of the county.

10 SECTION 13. IC 12-29-2-13, AS AMENDED BY P.L.143-2011,
 11 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2028]: Sec. 13. (a) This section applies to Lake County.

13 (b) In addition to any other appropriation under this article, the
 14 county annually may fund each center serving the county from the
 15 county's general fund. ~~in an amount not exceeding the following:~~

16 (1) For 2004, the product of the amount determined under
 17 section 2(b)(1) of this chapter multiplied by seven hundred
 18 fifty-two thousandths (0.752);

19 (2) For 2005 and each year thereafter, the product of the amount
 20 determined under section 2(b)(2) of this chapter for that year
 21 multiplied by seven hundred fifty-two thousandths (0.752).

22 (c) The receipts from the tax levied under this section shall be
 23 used for the leasing, purchasing, constructing, or operating of facilities
 24 for community based residential programs (as defined in IC 12-7-2-40)
 25 for individuals with a mental illness.

26 (d) Money appropriated under this section must be:

27 (1) budgeted under IC 6-1.1-17; and

28 (2) included in the center's budget submitted to the division of
 29 mental health and addiction.

30 (e) Permission for a levy increase in excess of the levy limitations
 31 may be ordered under IC 6-1.1-18.5-15 only if the levy increase is
 32 approved by the division of mental health and addiction for a
 33 community mental health center.

34 SECTION 14. IC 12-29-2-20, AS AMENDED BY P.L.76-2018,
 35 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2028]: Sec. 20. (a) Unless otherwise agreed to by the county
 37 and the community mental health center, the county payment to the
 38 community mental health center shall be paid by the county treasurer
 39 to the treasurer of each community mental health center's board of
 40 directors at least as frequently as provided in the following:

41 (1) One-half (1/2) of the county payment to the community



1 mental health center shall be made on the second Monday in
 2 July.

3 (2) One-half (1/2) of the county payment to the community
 4 mental health center shall be made on the second Monday in
 5 December.

6 (b) A county making a payment under this section or from other
 7 county sources to a community mental health center that qualifies as a
 8 community mental health center disproportionate share provider under
 9 IC 12-15-16-1 shall certify that the payment represents expenditures
 10 eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and
 11 42 CFR 433.51. The office shall assist a county in making this
 12 certification.

13 (c) Payments by the county fiscal body must be in the amounts:
 14 (1) determined by ~~sections 2 through section~~ 4 of this chapter;
 15 and
 16 (2) authorized by sections 1.2 and 13 of this chapter.

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

23 (1) **a listing of all court fees and fines;**
 24 (2) **the total amount of revenue received from all court fees**
 25 **and fines;**
 26 (3) **a listing of the distribution source for all court fees and**
 27 **fines;**
 28 (4) **the court or state government entity that oversees each**
 29 **distribution of all court fees and fines; and**
 30 (5) **any other relevant information on court fees and fines.**

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

35 (c) **This SECTION expires July 1, 2027.**

36 SECTION 16. **An emergency is declared for this act.**

