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SENATE BILL No. 4

Proposed Changes to introduced printing by AM000405

DIGEST OF PROPOSED AMENDMENT

Various changes. Amends provisions in the bill regarding budget committee review of tax credits in determining the annual aggregate tax credit cap under current law. Provides that effective July 1, 2028, a county may (instead of shall) provide property tax funding for the operation of community mental health centers and makes conforming changes. Urges the legislative council to assign to the interim study committee on courts and the judiciary the task of undertaking a comprehensive study of all court fees and fines.

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 [(A) beginning after February 1, 2026, and before May 1,
 10 2026, after the first calendar quarter in which the award
 11 is made; and
 12 (B) after April 30, 2026, at the next budget committee
 13 meeting immediately following the date of the tax credit
 14 award.

15 1 (b) For purposes of determining the amount of applicable tax
 16 credits that have been certified for a state fiscal year, the following
 17 apply:

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

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

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

30 (c) Notwithstanding subsection (a), if the corporation determines
 31 that:

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

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

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

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

41 SECTION 4. IC 6-1.1-17-20, AS AMENDED BY P.L.230-2025,
 42 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 20. (a) This section applies to each governing
 2 body of a taxing unit that is not comprised of a majority of officials
 3 who are elected to serve on the governing body. For purposes of this
 4 section, an individual who qualifies to be appointed to a governing
 5 body or serves on a governing body because of the individual's status
 6 as an elected official of another taxing unit shall be treated as an
 7 official who was not elected to serve on the governing body.

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

12 (c) If:

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

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

17 (A) the taxing unit was originally established by the city or
 18 town; or

19 (B) the majority of the individuals serving on the governing
 20 body of the taxing unit are appointed by the city or town;
 21 the governing body shall submit its proposed budget and property tax
 22 levy to the city or town fiscal body. The proposed budget and levy shall
 23 be submitted to the city or town fiscal body in the manner prescribed
 24 by the department of local government finance before September 2 of
 25 a year.

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

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

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



1 maximum permissible ad valorem property tax levy for the preceding
 2 calendar year as prescribed in STEP TWO of IC 6-1.1-18.5-3(a), for
 3 purposes of STEP TWO of IC 6-1.1-18.5-3(a), the taxing unit's
 4 maximum permissible ad valorem property tax levy for the preceding
 5 calendar year must instead be multiplied by the result of the following:

6 STEP ONE: Determine:

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

10 STEP TWO: Multiply:

11 (A) the STEP ONE result; by
 12 (B) eight-tenths (0.8).

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

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

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

35 STEP ONE: Determine:

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

39 STEP TWO: Multiply:

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

42 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
 42 subsection (d), rather than to the city or town fiscal body, if more than



1 fifty percent (50%) of the parcels of real property within the
 2 jurisdiction of the public library are located outside the city or town.

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

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

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

27 STEP ONE: Determine:

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

30 (B) one (1).

31 STEP TWO: Multiply:

32 (A) the STEP ONE result; by

33 (B) eight-tenths (0.8).

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

35 However, if the public library files the information as required in
 36 subsection (c) or (d), whichever applies, for the budget year
 37 immediately following the budget year for which the formula under this
 38 subsection is applied, when calculating the maximum ad valorem
 39 property tax levy under IC 6-1.1-18.5-3(a) for the public library for the
 40 subsequent budget year, the public library's maximum permissible ad
 41 valorem property tax levy must be calculated as if the formula under
 42 this subsection had not been applied for the affected budget year.



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

14 STEP ONE: Determine:

15 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP
16 FIVE of IC 6-1.1-18.5-2(c) (as applicable); minus

17 (B) one (1):

18 **STEP TWO: Multiply:**

19 (A) the STEP ONE result; by

20 (B) ~~eight-tenths~~ (0.8).

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

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

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



1 proposed budget or tax levy in a budget year under this section by more
 2 than ten percent (10%) of the public library's operating levy in the
 3 immediately preceding budget year.

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

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

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

22 (1) the department of local government finance; and
 23 (2) the public library;

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

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

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

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

41 The Indiana state library shall provide the information submitted to the
 42 Indiana state library under this subsection to the department of local



1 government finance by not later than November 1, 2020.

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

- 6 (1) the Indiana state library;
- 7 (2) the public library; and
- 8 (3) the fiscal body identified under subsection (a) by the public
 9 library.

10 (d) If a public library:

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

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

22 (e) The Indiana state library shall provide the information
 23 submitted to the Indiana state library under subsection (b) to the
 24 department of local government finance by not later than November 1,
 25 2020.

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

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

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

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- (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.

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

(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.

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

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

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

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

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

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

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

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

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

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

(f) (k) This subsection applies to an appropriation for which the underlying purpose is a bond issue. The political subdivision shall include the appropriation for the bond proceeds in the budget of the



1 political subdivision for the ensuing year adopted under IC 6-1.1-17.
 2 If the political subdivision does not include the appropriation for the
 3 bond proceeds as required by this subsection, the political subdivision
 4 shall comply with the requirements of this section in the year in which
 5 the bond proceeds are received, but may not take an action pursuant to
 6 this section in a year before the year in which the bond proceeds are
 7 received.

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

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

27 (1) before October 20 of the calendar year immediately
 28 preceding the ensuing calendar year; or

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

32 appeal to the department of local government finance for relief from
 33 those levy limitations. In the appeal the civil taxing unit must state that
 34 it will be unable to carry out the governmental functions committed to
 35 it by law unless it is given the authority that it is petitioning for. The
 36 civil taxing unit must support these allegations by reasonably detailed
 37 statements of fact.

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

41 (c) In considering an appeal, the department of local government
 42 finance has the power to conduct hearings, require any officer or



1 member of the appealing civil taxing unit to appear before it, or require
 2 any officer or member of the appealing civil taxing unit to provide the
 3 department with any relevant records or books.

4 (d) If an officer or member:

5 (1) fails to appear at a hearing after having been given written
 6 notice requiring that person's attendance; or
 7 (2) fails to produce the books and records that the department by
 8 written notice required the officer or member to produce;

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

12 (e) Upon the filing of an affidavit under subsection (d), the court
 13 shall promptly issue a summons, and the sheriff of the county within
 14 which the court is sitting shall serve the summons. The summons must
 15 command the officer or member to appear before the department to
 16 provide information to the department or to produce books and records
 17 for the department's use, as the case may be. Disobedience of the
 18 summons constitutes, and is punishable as, a contempt of the court that
 19 issued the summons.

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

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

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

35 (1) IC 6-1.1-17-20.
 36 (2) IC 6-1.1-17-20.3; or
 37 (3) IC 6-1.1-17-20.4.

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

41 (i) A participating unit of a fire protection territory may not submit
 42 an appeal under this section unless each participating unit of the fire



1 protection territory has adopted a resolution approving submission of
 2 the appeal.

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

9 (1) in the county;
 10 (2) anywhere in Indiana, if the community mental health center
 11 is organized to provide services to at least two (2) counties,
 12 including the county executive's county; or
 13 (3) in an adjacent state, if the center is organized to provide
 14 services to Indiana residents, including residents in the county
 15 executive's county.

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

20 (b) Assistance authorized under this section shall be used for the
 21 following purposes:

22 (1) Constructing a community mental health center.
 23 (2) Operating a community mental health center.
 24 (c) The appropriation from a county authorized under subsection
 25 (a) may not exceed the product of the amount determined under section
 26 2(b)(2) of this chapter for that year multiplied by one and five hundred
 27 four thousandths (1.504).

28 (d) (c) For purposes of this subsection, "first calendar year" refers
 29 to the first calendar year after 2008 in which the county imposes an ad
 30 valorem property tax levy for the county general fund to provide
 31 financial assistance under this chapter. If a county did not provide
 32 financial assistance under this chapter in 2008, the county, for a
 33 following calendar year:

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

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

40 [SECTION 1~~0~~¹[1]. IC 12-29-2-2, AS AMENDED BY

41 P.L.159-2020, SECTION 60, IS AMENDED TO READ AS

42 FOLLOW

S [EFFECTIVE JULY 1, 202~~0~~⁸[8]]: Sec. 2. (a) A county



1 shall **may** provide funding for the operation of community mental
 2 health centers. (b) in the amount determined under
 3 subsection (b) or, in the case of Marion
 4 County for calendar year 2019, calendar year
 5 2020, and calendar year 2021, the amount
 6 determined under subsection (c).
 7 (b) Except as provided in subsection (c),
 8 the amount of funding under subsection (a)
 9 for a calendar year is **may equal up to the following:**
 10 (1) **The county's maximum appropriation amount for the**
 11 **operation of community mental health centers determined under**
 12 **this chapter in the previous calendar year, if the STEP THREE**
 13 **result under the following formula is less than or equal to zero**
 14 **(0):**
 15 **STEP ONE:** Determine the amount of the certified levy for
 16 funds subject to the civil maximum levy in the immediately
 17 preceding calendar year minus the amount of credits
 18 granted under IC 6-1.1-20.6 that were allocated to funds
 19 subject to the civil maximum levy in the immediately
 20 preceding calendar year, as determined by the department
 21 of local government finance under IC 6-1.1-20.6-11.
 22 **STEP TWO:** Determine the amount of the certified levy for
 23 funds subject to the civil maximum levy in the year prior to
 24 the immediately preceding calendar year minus the amount
 25 of credits granted under IC 6-1.1-20.6 that were allocated to
 26 funds subject to the civil maximum levy in the year prior to
 27 the immediately preceding calendar year, as determined by
 28 the department of local government finance under
 29 IC 6-1.1-20.6-11.
 30 **STEP THREE:** Determine the remainder of the **STEP ONE**
 31 amount minus the **STEP TWO** amount.
 32 (2) If the **STEP THREE** result under the formula in subdivision
 33 (1) is greater than zero (0), then the county's maximum
 34 appropriation amount for the operation of community mental
 35 health centers determined under this chapter in the previous
 36 calendar year, multiplied by the greater of:
 37 (A) one (1); or
 38 (B) the result of **STEP SIX** of the following formula:
 39 **STEP ONE:** Determine the maximum levy growth
 40 quotient for the year under IC 6-1.1-18.5 minus one
 41 (1).
 42 **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 for community mental health centers under this chapter in 2018; plus

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

(i) the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2019, minus

(ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2018.

(2) For calendar year 2020, the sum of:

~~(A) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019; plus~~

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

16 ~~(d)~~ equal to the following:

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

STEP ONE: Determine the amount of the certified levy for funds subject to the civil maximum levy in the immediately preceding calendar year minus the amount of credits granted under IC 6-1-1-20.6 that were allocated to funds subject to the civil maximum levy in the immediately preceding calendar year; as determined by the department of local government finance under IC 6-1-1-20.6-11.

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

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

(2) If the STEP THREE result under the formula in subdivision (1) is greater than zero (0), then the county's maximum appropriation amount for the operation of community mental health centers determined under this chapter in the previous



1 calendar year; multiplied by the greater of:
 2 (A) one (1); or
 3 (B) the result of STEP SIX of the following formula:
 4 STEP ONE: Determine the maximum levy growth
 5 quotient for the year under IC 6-1.1-18.5 minus one
 6 (1).
 7 STEP TWO: Determine the amount of the certified
 8 levy for funds subject to the civil maximum levy in the
 9 immediately preceding calendar year minus the amount
 10 of credits granted under IC 6-1.1-20.6 that were
 11 allocated to funds subject to the civil maximum levy in
 12 the immediately preceding calendar year, as
 13 determined by the department of local government
 14 finance under IC 6-1.1-20.6-11.
 15 STEP THREE: Determine the amount of the certified
 16 levy for funds subject to the civil maximum levy in the
 17 immediately preceding calendar year.
 18 STEP FOUR: Determine the result of the STEP TWO
 19 amount divided by the STEP THREE amount.
 20 STEP FIVE: Determine the product of the STEP ONE
 21 amount multiplied by the STEP FOUR result.
 22 STEP SIX: Determine the STEP FIVE amount plus one
 23 (1).
 24 The department of local government finance shall verify the maximum
 25 appropriation calculation under this subsection as part of the
 26 certification of the county's budget under IC 6-1.1-17. For taxes due
 27 and payable in 2020, the department of local government finance shall
 28 calculate the maximum appropriation under this subsection as if the
 29 taxes were due and payable in 2019.
 30 (c) This subsection applies only in calendar year 2019; calendar
 31 year 2020; and calendar year 2021. In the case of Marion County, the
 32 amount of funding under subsection (a) for a calendar year is
 33 determined under this subsection and is equal to the following:
 34 (1) For calendar year 2019, the sum of:
 35 (A) the actual amount of the appropriations by the county
 36 for community mental health centers under this chapter in
 37 2018; plus
 38 (B) the result of thirty-three percent (33%) multiplied by the
 39 result of:
 40 (i) the amount that would have, except for the
 41 application of this subsection, applied to the county
 42 under subsection (b) for calendar year 2019; minus



(ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2018.

(2) For calendar year 2020, the sum of:

(A) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019; plus

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

(i) the amount that would have, except for the application of this subsection, applied to the county under subsection (b) for calendar year 2020; minus
(ii) the actual amount of the appropriations by the county for community mental health centers under this chapter in 2019.

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

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

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

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

the county, or
(2) contributing to the nonfederal share of medical assistance payments to community mental health centers serving the county.

county.

SECTION ~~12. IC 12-29-2-4, AS AMENDED BY P.L.76-2018, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]~~: Sec. 4. The amount derived from the calculation under section 2(b) of this chapter or, in the case of Marion County for calendar year 2019, calendar year 2020, and calendar year 2021, the calculation under section 2(c) of this chapter represents the combined maximum appropriation to all centers serving the particular county. ~~If the county provides funding under section 2 of this chapter for the operation of community mental health centers, the allotment to each center shall be apportioned according to the proportion of:~~

(1) the county's population residing in the primary service area of each center that is certified by the division of mental health

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

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

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

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

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

21 (2) included in the center's budget submitted to the division of
22 mental health and addiction

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

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

34 (1) One-half (1/2) of the county payment to the community
35 mental health center shall be made on the second Monday in
36 July.

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

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1 IC 12-15-16-1 shall certify that the payment represents expenditures
2 eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and
3 42 CFR 433.51. The office shall assist a county in making this
4 certification.

5 (c) Payments by the county fiscal body must be in the amounts:
6 (1) determined by sections 2 through section 4 of this chapter;
7 and
8 (2) authorized by sections 1.2 and 13 of this chapter.

9 SECTION 15. [EFFECTIVE UPON PASSAGE] (a) The
10 legislative council is urged to assign to the interim study committee
11 on courts and the judiciary the task of undertaking a
12 comprehensive study of all court fees and fines, including those
13 under IC 29, IC 31, IC 32, IC 33, IC 34, and IC 35, and preparing
14 a report on the study containing:

15 (1) a listing of all court fees and fines;
16 (2) the total amount of revenue received from all court fees
17 and fines;
18 (3) a listing of the distribution source for all court fees and
19 fines;
20 (4) the court or state government entity that oversees each
21 distribution of all court fees and fines; and
22 (5) any other relevant information on court fees and fines.

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

27 (c) This SECTION expires July 1, 2027.
28 SECTION 16. An emergency is declared for this act. [

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