
SENATE BILL No. 4

AM000436 has been incorporated into January 29, 2026 printing.

Synopsis: Various fiscal matters.

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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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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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
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

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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~~ **tax credit award** is
 8 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 (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 6-9-56-8.5 IS ADDED TO THE INDIANA CODE
 42 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1 1, 2026]: **Sec. 8.5. (a) Except as provided in subsection (e), county**
 2 **treasurer shall transfer the amount of money received under**
 3 **section 3(c)(2) of this chapter that is generated by a rate that**
 4 **exceeds five percent (5%) to the fiscal officer of each of the**
 5 **following cities with each city receiving an equal twenty-five**
 6 **percent (25%) share of the total amount collected:**

7 (1) Noblesville.

8 (2) Carmel.

9 (3) Fishers.

10 (4) Westfield.

11 (b) The fiscal officer of each city under subsection (a) shall
 12 establish a municipal tourism capital fund. The fiscal officer shall
 13 deposit in the fund all money received by the city under this
 14 section. The city fiscal body shall administer the fund. The city may
 15 not establish a tourism board or similar entity for any purposes of
 16 the fund and the city fiscal body shall have sole authority regarding
 17 the use of money in the fund as set forth under subsection (c).

18 (c) Money in the fund may be used only for capital projects for
 19 tourism related purposes as determined by the city fiscal body. The
 20 city fiscal body may issue bonds, enter into leases, or incur other
 21 obligations for the purposes of this subsection.

22 (d) Money transferred to a city under subsection (a) shall not
 23 be used by the city for tourism marketing, tourism promotion, or
 24 tourism planning purposes.

25 (e) The county treasurer shall not distribute money under this
 26 section to a city that restricts by ordinance the operation of a short
 27 term rental (as defined in IC 36-1-24-6), unless the restriction is
 28 permissible under IC 36-1-24-9, IC 36-1-24-10, or IC 36-1-24-11.

29 SECTION 5. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
 30 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2028]: Sec. 2. (a) A county shall provide funding for the
 32 operation of community mental health centers in the amount
 33 determined under subsection (b) or, in the case of Marion County for
 34 calendar year 2019, calendar year 2020, and calendar year 2021, the
 35 amount determined under subsection (c).

36 (b) Except as provided in subsection (c), the amount of funding
 37 under subsection (a) for a calendar year is equal to the following:

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

42 (0):

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

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1 STEP SIX: Determine the STEP FIVE amount plus one
2 (1).

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

9 (c) This subsection applies only in calendar year 2019, calendar
10 year 2020, and calendar year 2021. In the case of Marion County, the
11 amount of funding under subsection (a) for a calendar year is
12 determined under this subsection and is equal to the following:

13 (1) For calendar year 2019, the sum of:
14 (A) the actual amount of the appropriations by the county
15 for community mental health centers under this chapter in
16 2018; plus
17 (B) the result of thirty-three percent (33%) multiplied by the
18 result of:

19 (i) the amount that would have, except for the
20 application of this subsection, applied to the county
21 under subsection (b) for calendar year 2019; minus
22 (ii) the actual amount of the appropriations by the
23 county for community mental health centers under this
24 chapter in 2018.

25 (2) For calendar year 2020, the sum of:
26 (A) the actual amount of the appropriations by the county
27 for community mental health centers under this chapter in
28 2019; plus
29 (B) the result of sixty-six percent (66%) multiplied by the
30 result of:

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

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

40 The department of local government finance shall verify the maximum
41 appropriation calculation under this subsection as part of the
42 certification of the county's budget under IC 6-1.1-17. This subsection

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1 expires January 1, 2022.

2 **(d) A county may meet the funding requirements under this**
3 **section with any funding source in lieu of or in combination with**
4 **property taxes but excluding federal funds.**

5 ~~(d)~~ **(e)** The funding provided by a county under this section shall
6 be used solely for:

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

9 (2) contributing to the nonfederal share of medical assistance
10 payments to community mental health centers serving the
11 county.

12 **(f) Services authorized through a community mental health**
13 **center certification shall only be provided in the community mental**
14 **health center's designated county or counties.**

15 **(g) Notwithstanding subsection (f), the division of mental**
16 **health and addiction may authorize approval for a community**
17 **mental health center to provide school based services outside the**
18 **community mental health center's designated service area.**

19 SECTION 6. IC 12-29-2-16, AS AMENDED BY P.L.59-2024,
20 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2028]: Sec. 16. (a) A community mental health center that is
22 certified by the division of mental health and addiction shall provide an
23 annual report to the division of mental health and addiction and to the
24 fiscal body and the board of county commissioners of each county
25 located in the community mental health center's primary service area.

26 The annual report under this section must include the following:

27 (1) Information concerning the operational and community based
28 activities undertaken during the year by the community mental
29 health center in each county from which the community mental
30 health center received funding under this chapter.

31 (2) A listing, by the county of patients' residence, of the
32 following information:

33 (A) The total number of patients served by the community
34 mental health center.

35 (B) The total number of patients receiving addiction
36 treatment services from the community mental health
37 center.

38 (C) The total number of patients receiving mental health
39 services from the community mental health center.

40 (D) The total number of patients receiving both addiction
41 treatment services and mental health services from the
42 community mental health center.

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- 1 (3) A copy of the most recent financial audit provided to the
 2 division of mental health and addiction under 440 IAC 4.1-2-5,
 3 including a balance sheet of assets and liabilities, which shall be
 4 prepared by an independent certified public accountant.
- 5 (4) Demographic information of patients served by the
 6 community mental health center, including the following:
- 7 (A) The number of adults served and the:
- 8 (i) five (5) most common addiction substances; and
 9 (ii) ten (10) most common primary mental health
 10 diagnoses;
 11 of the adults.
- 12 (B) The number of children served and the:
- 13 (i) five (5) most common addiction substances; and
 14 (ii) ten (10) most common primary mental health
 15 diagnoses;
 16 of the children.
- 17 (5) The total number of clinical encounters in the preceding
 18 fiscal year.
- 19 (6) The total number of completed intakes in the preceding fiscal
 20 year.
- 21 (7) The average time from initial engagement to an offered
 22 initial evaluation.
- 23 (8) The average time from initial evaluation to an offered
 24 follow-up visit.
- 25 (9) The community mental health center's performance in
 26 comparison to the state's performance on measures identified by
 27 the division of mental health and addiction, including client
 28 satisfaction and clinical outcomes.
- 29 (10) Data related to the connection between a patient and
 30 additional county or regional based services, including any of the
 31 following, if available:
- 32 (A) Self, family, or guardian referrals.
 33 (B) Law enforcement or the criminal justice system.
 34 (C) A hospital or physician.
 35 (D) Child or youth services, including the department of
 36 child services, systems of care, or schools.
 37 (E) A twenty-four (24) hour crisis intervention service.
 38 (F) An enhanced call center.
- 39 (b) The division of mental health and addiction shall:
- 40 (1) specify the format of the annual reports that must be provided
 41 by community mental health centers under subsection (a);
 42 (2) determine the measures to be used concerning performance

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1 required by subsection (a)(9); and

2 (3) include a summary of that information in the annual report
3 prepared by the division under subsection (c).

4 **(c) A community mental health center that is certified by the**
5 **division of mental health and addiction shall annually provide to the**
6 **county fiscal body and board of county commissioners of each county**
7 **a report that includes the following:**

8 (1) An overview of the total funding provided to all community
9 mental health centers during the year under this chapter,
10 including funding provided by the division for purposes of
11 programs under this chapter **that includes the following:**

12 **(A) The total amount of revenue received from the**
13 **county under this chapter.**

14 **(B) The total amount of expenditures made from**
15 **revenue received from the county under this chapter.**

16 **(C) The total amount of expenditures by category from**
17 **revenue received from the county under this chapter.**

18 **(D) The total amount of expenditures on services from**
19 **revenue received from the county under this chapter,**
20 **and as a percent of the total revenue received from the**
21 **county under this chapter.**

22 (2) A count, by county of residence, of the following concerning
23 patients served by the community mental health centers under
24 programs funded under this chapter:

25 (A) The total number of patients served.

26 (B) The total number of patients receiving addiction
27 treatment services.

28 (C) The total number of patients receiving mental health
29 services.

30 (D) The total number of patients receiving both addiction
31 treatment services and mental health services.

32 (3) An assessment, specified by the county of patients' residence,
33 of the overall outcomes of the treatment provided to patients of
34 the community mental health centers.

35 (4) A summary of the information provided by community
36 mental health centers in the annual reports provided under
37 subsection (a), and an explanation of the differences between the
38 patient count information provided by the community mental
39 health centers in those reports and the patient count information
40 included in the division's report under this subsection.

41 **(d) The division of mental health and addiction may provide a**
42 **report required under subsection (c) to the county fiscal body and the**

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1 board of county commissioners by publishing the report on the
2 division's website.

3 SECTION 7. [EFFECTIVE UPON PASSAGE] (a) The legislative
4 council is urged to assign to the interim study committee on courts
5 and the judiciary the task of undertaking a comprehensive study
6 of all court fees and fines, including those under IC 29, IC 31,
7 IC 32, IC 33, IC 34, and IC 35, and preparing a report on the study
8 containing:

- 9 (1) a listing of all court fees and fines;
- 10 (2) the total amount of revenue received from all court fees
11 and fines;
- 12 (3) a listing of the distribution source for all court fees and
13 fines;
- 14 (4) the court or state government entity that oversees each
15 distribution of all court fees and fines; and
- 16 (5) any other relevant information on court fees and fines.

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

21 (c) This SECTION expires July 1, 2027.

22 SECTION 8. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)] (a)
23 Notwithstanding any other provision, the budget agency, subject
24 to budget committee review, may use the appropriation to the
25 financial responsibility and opportunity growth fund in
26 P.L.213-2025 (HEA 1001-2025) or augment the financial
27 responsibility and opportunity growth fund for the purpose of
28 providing funding to the Child Care and Development Fund
29 voucher program administered by the family and social services
30 administration in addition to the uses for the appropriation as
31 authorized in P.L.213-2025 (HEA 1001-2025).

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

33 SECTION 9. An emergency is declared for this act.

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