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# SENATE BILL No. 4

Proposed Changes to January 29, 2026 printing by AM000436

## DIGEST OF PROPOSED AMENDMENT

Fiscal matters. Provides that a county treasurer may not distribute money to a city that restricts by ordinance the operation of a short term rental.

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
- 18 and establishing the rights, privileges, powers, and duties of all
- 19 employees;
- 20 (4) provide for employees to be covered by the public employees'

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1 retirement fund; and  
 2 (5) establish a pay scale for all employees including the  
 3 executive director.  
 4 Rules and regulations adopted by the council under subdivision (3) are  
 5 not subject to IC 4-22-2. In those rules and regulations, the council may  
 6 limit the political activity of legislative services agency employees.  
 7 (c) The executive director is entitled to serve as long as he  
 8 properly performs his duties, but he may be removed at any time upon  
 9 the affirmative vote of twelve (12) members of the council.  
 10 (d) The executive director may submit to the council such reports  
 11 and drafts of resolutions, budgets, and appropriation bills as may be  
 12 required for the efficient operation of the council's activities and  
 13 programs.  
 14 (e) The legislative services agency shall perform such bill drafting,  
 15 research, code revision, fiscal, budgetary, and management analysis,  
 16 information, administrative, and other services as are requested by the  
 17 council.  
 18 (f) The legislative services agency shall perform a fiscal impact  
 19 analysis for each executive order issued by the governor ~~under~~  
 20 ~~IC 10-14-3~~ within seven (7) days of the executive order issuance and  
 21 provide the fiscal note to:  
 22 (1) the legislative council; and  
 23 (2) the budget committee.  
 24 SECTION 2. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,  
 25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 UPON PASSAGE]: Sec. 2. The Pokagon Indiana Education Fund shall  
 27 be used solely to make payments directly to Indiana ~~public~~ institutions  
 28 of higher learning or workforce development and training programs  
 29 approved by the Indiana Department of Workforce Development for  
 30 eligible Band citizens for direct costs and expenses, such as tuition,  
 31 on-campus room and board, and other direct education expenses. To be  
 32 eligible, a Band citizen must (i) be enrolled in the Band prior to  
 33 benefitting from any payment, and (ii) meet the education or workforce  
 34 provider admission requirements. Priority shall be given to Band  
 35 citizens who are legal residents of the State of Indiana as of the date of  
 36 their application for benefits.  
 37 SECTION 3. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,  
 38 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate  
 40 amount of applicable tax credits that the corporation may certify:  
 41 (1) for each state fiscal year ending on or before June 30, 2025,  
 42 for all taxpayers is two hundred fifty million dollars

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1 (\$250,000,000); and  
2 (2) for each state fiscal year ending on or after July 1, 2025, for  
3 all taxpayers is three hundred million dollars (\$300,000,000).  
4 Each ~~certification under this subdivision tax credit award~~ is  
5 subject to budget committee review:

- 6 (A) beginning after February 1, 2026, and before May 1,
- 7 2026, after the first calendar quarter in which the award
- 8 is made; and
- 9 (B) after April 30, 2026, at the next budget committee
- 10 meeting immediately following the date of the tax credit
- 11 award.

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

- 15 (1) An applicable tax credit is considered awarded in the state
- 16 fiscal year in which the taxpayer can first claim the credit,
- 17 determined without regard to any carryforward period or
- 18 carryback period.
- 19 (2) An applicable tax credit awarded by the corporation before
- 20 July 1, 2022, shall be counted toward the aggregate credit
- 21 limitation under this section.
- 22 (3) If an accelerated credit is awarded under IC 6-3.1-26-15, the
- 23 amount counted toward the aggregate credit limitation under this
- 24 section for a state fiscal year shall be the amount of the credit for
- 25 the taxable year described in subdivision (1) prior to any
- 26 discount.

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

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

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

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

38 [ SECTION 4. IC 6-9-56-8.5 IS ADDED TO THE INDIANA CODE  
39 AS A NEW SECTION TO READ AS FOLLOWS ]EFFECTIVE JULY  
40 1, 2026]: Sec. 8.5. (a) Except as provided in subsection (e), county  
41 treasurer shall transfer the amount of money received under  
42 section 3(c)(2) of this chapter that is generated by a rate that

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1 exceeds five percent (5%) to the fiscal officer of each of the  
 2 following cities with each city receiving an equal twenty-five  
 3 percent (25%) share of the total amount collected:

4 (1) Noblesville.

5 (2) Carmel.

6 (3) Fishers.

7 (4) Westfield.

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

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

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

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

26 ] SECTION ~~4~~ [5]. IC 12-29-2-2, AS AMENDED BY  
 27 P.L.159-2020, SECTION 60, IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2028]: Sec. 2. (a) A county shall  
 29 provide funding for the operation of community mental health centers  
 30 in the amount determined under subsection (b) or, in the case of  
 31 Marion County for calendar year 2019, calendar year 2020, and  
 32 calendar year 2021, the amount determined under subsection (c).

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

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

39 (0):

40 STEP ONE: Determine the amount of the certified levy for  
 41 funds subject to the civil maximum levy in the immediately  
 42 preceding calendar year minus the amount of credits

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

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

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

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

11 (A) the actual amount of the appropriations by the county  
12 for community mental health centers under this chapter in  
13 2018; plus

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

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

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

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

23 (A) the actual amount of the appropriations by the county  
24 for community mental health centers under this chapter in  
25 2019; plus

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

28 (i) the amount that would have, except for the  
29 application of this subsection, applied to the county  
30 under subsection (b) for calendar year 2020; minus

31 (ii) the actual amount of the appropriations by the  
32 county for community mental health centers under this  
33 chapter in 2019.

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

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

41 **(d) A county may meet the funding requirements under this**  
42 **section with any funding source in lieu of or in combination with**

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1 **property taxes but excluding federal funds.**

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

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

6 (2) contributing to the nonfederal share of medical assistance  
7 payments to community mental health centers serving the  
8 county.

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

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

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

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

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

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

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

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

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

41 (3) A copy of the most recent financial audit provided to the  
42 division of mental health and addiction under 440 IAC 4.1-2-5,

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

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- 1 prepared by the division under subsection (c).
- 2 (c) **A community mental health center that is certified by the**
- 3 **division of mental health and addiction shall annually provide to the**
- 4 **county fiscal body and board of county commissioners of each county**
- 5 **a report that includes the following:**
- 6 (1) An overview of the total funding provided to all community
- 7 mental health centers during the year under this chapter,
- 8 including funding provided by the division for purposes of
- 9 programs under this chapter **that includes the following:**
- 10 (A) **The total amount of revenue received from the**
- 11 **county under this chapter.**
- 12 (B) **The total amount of expenditures made from**
- 13 **revenue received from the county under this chapter.**
- 14 (C) **The total amount of expenditures by category from**
- 15 **revenue received from the county under this chapter.**
- 16 (D) **The total amount of expenditures on services from**
- 17 **revenue received from the county under this chapter,**
- 18 **and as a percent of the total revenue received from the**
- 19 **county under this chapter.**
- 20 (2) A count, by county of residence, of the following concerning
- 21 patients served by the community mental health centers under
- 22 programs funded under this chapter:
- 23 (A) The total number of patients served.
- 24 (B) The total number of patients receiving addiction
- 25 treatment services.
- 26 (C) The total number of patients receiving mental health
- 27 services.
- 28 (D) The total number of patients receiving both addiction
- 29 treatment services and mental health services.
- 30 (3) An assessment, specified by the county of patients' residence,
- 31 of the overall outcomes of the treatment provided to patients of
- 32 the community mental health centers.
- 33 (4) A summary of the information provided by community
- 34 mental health centers in the annual reports provided under
- 35 subsection (a), and an explanation of the differences between the
- 36 patient count information provided by the community mental
- 37 health centers in those reports and the patient count information
- 38 included in the division's report under this subsection.
- 39 (d) ~~The division of mental health and addiction may provide a~~
- 40 ~~report required under subsection (c) to the county fiscal body and the~~
- 41 ~~board of county commissioners by publishing the report on the~~
- 42 ~~division's website.~~

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

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

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

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

20 SECTION ~~7~~[8]. [EFFECTIVE JULY 1, 2025  
21 (RETROACTIVE)] (a) Notwithstanding any other provision, the  
22 budget agency, subject to budget committee review, may use the  
23 appropriation to the financial responsibility and opportunity  
24 growth fund in P.L.213-2025 (HEA 1001-2025) or augment the  
25 financial responsibility and opportunity growth fund for the  
26 purpose of providing funding to the Child Care and Development  
27 Fund voucher program administered by the family and social  
28 services administration in addition to the uses for the  
29 appropriation as authorized in P.L.213-2025 (HEA 1001-2025).

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

31 SECTION ~~8~~[9]. An emergency is declared for this act.

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