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**SENATE BILL No. 4**

**AM000438 has been incorporated into January 29, 2026 printing.**

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**Synopsis:** Various fiscal matters.

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SB 4—LS 7099/DI 120



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 4-22-2-22.7, AS AMENDED BY P.L.93-2024,  
 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2026]: Sec. 22.7. (a) Before complying with section 22.8,  
 30 37.1, or 37.2 of this chapter, an agency shall conduct a regulatory  
 31 analysis for the proposed rule that complies with the requirements of  
 32 this section.

33 (b) The office of management and budget shall set standards for  
 34 the criteria, analytical method, treatment technology, economic, fiscal,  
 35 and other background data to be used by an agency in the regulatory  
 36 analysis. The regulatory analysis must be submitted in a form that can  
 37 be easily loaded into commonly used business analysis software and  
 38 published in the Indiana Register using the format jointly developed by  
 39 the publisher, the office of management and budget, and the budget  
 40 agency. The office of management and budget may provide more  
 41 stringent requirements for rules with fiscal impacts and costs above a  
 42 threshold amount determined by the office of management and budget.

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1 (c) At a minimum, the regulatory analysis must include findings  
2 and any supporting data, studies, or analyses prepared for a rule that  
3 demonstrate compliance with the following:

- 4 (1) The cost benefit requirements in IC 4-3-22-13.  
5 (2) Each of the standards in section 19.5 of this chapter.  
6 (3) If applicable, the requirements for fees, fines, and civil  
7 penalties in section 19.6 of this chapter.  
8 (4) The annual economic impact on small businesses statement  
9 required under IC 4-22-2.1-5.  
10 (5) If applicable, the information required under IC 13-14-9-4.  
11 (6) A determination whether the combined implementation and  
12 compliance costs of a proposed rule are at least ~~one million~~  
13 ~~dollars (\$1,000,000)~~ **five hundred thousand dollars (\$500,000)**  
14 for businesses, units, and individuals over any two (2) year  
15 period.  
16 (7) Any requirement under any other law to conduct an analysis  
17 of the cost, benefits, economic impact, or fiscal impact of a rule,  
18 if applicable.

19 (d) The regulatory analysis must include a statement justifying any  
20 requirement or cost that is:

- 21 (1) imposed on a regulated entity under the rule; and  
22 (2) not expressly required by:  
23 (A) the statute authorizing the agency to adopt the rule; or  
24 (B) any other state or federal law.

25 The statement required under this subsection must include a reference  
26 to any data, studies, or analyses relied upon by the agency in  
27 determining that the imposition of the requirement or cost is necessary.

28 (e) Except as provided in subsection (f), if the implementation and  
29 compliance costs of a proposed rule are expected to exceed the  
30 threshold set forth in subsection (c)(6), the publisher may not publish  
31 the proposed rule until the budget committee has reviewed the rule.

32 (f) Subsection (e) does not apply to a proposed rule if the proposed  
33 rule is:

- 34 (1) a provisional rule that was issued as the result of the  
35 governor declaring an emergency under IC 10-14-3 and is only  
36 valid during the emergency;  
37 (2) a provisional or interim rule that complies only with the  
38 requirements of a:  
39 (A) federal law;  
40 (B) federal regulation; or  
41 (C) federal grant or loan program; or  
42 (3) an interim rule that incorporates a new or updated:

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- 1 (A) building;  
 2 (B) equipment;  
 3 (C) firefighting;  
 4 (D) safety; or  
 5 (E) professional;  
 6 code.

7 (g) If an agency has made a good faith effort to comply with this  
 8 section, a rule is not invalid solely because the regulatory analysis for  
 9 the proposed rule is insufficient or inaccurate.

10 SECTION 3. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,  
 11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 UPON PASSAGE]: Sec. 2. The Pokagon Indiana Education Fund shall  
 13 be used solely to make payments directly to Indiana ~~public~~ institutions  
 14 of higher learning or workforce development and training programs  
 15 approved by the Indiana Department of Workforce Development for  
 16 eligible Band citizens for direct costs and expenses, such as tuition,  
 17 on-campus room and board, and other direct education expenses. To be  
 18 eligible, a Band citizen must (i) be enrolled in the Band prior to  
 19 benefitting from any payment, and (ii) meet the education or workforce  
 20 provider admission requirements. Priority shall be given to Band  
 21 citizens who are legal residents of the State of Indiana as of the date of  
 22 their application for benefits.

23 SECTION 4. IC 5-28-6-9, AS AMENDED BY P.L.213-2025,  
 24 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 UPON PASSAGE]: Sec. 9. (a) Subject to subsection (c), the aggregate  
 26 amount of applicable tax credits that the corporation may certify:

27 (1) for each state fiscal year ending on or before June 30, 2025,  
 28 for all taxpayers is two hundred fifty million dollars  
 29 (\$250,000,000); and

30 (2) for each state fiscal year ending on or after July 1, 2025, for  
 31 all taxpayers is three hundred million dollars (\$300,000,000),  
 32 **fifteen million dollars (\$15,000,000) of which must be**  
 33 **allocated to fund qualified community projects within local**  
 34 **government units under IC 6-3.1-34-24.** Each ~~certification~~  
 35 ~~under this subdivision tax credit award~~ is subject to budget  
 36 committee review:

37 (A) beginning after February 1, 2026, and before May 1,  
 38 2026, after the first calendar quarter in which the award  
 39 is made; and

40 (B) after April 30, 2026, at the next budget committee  
 41 meeting immediately following the date of the tax credit  
 42 award.

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

4 (1) An applicable tax credit is considered awarded in the state  
5 fiscal year in which the taxpayer can first claim the credit,  
6 determined without regard to any carryforward period or  
7 carryback period.

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

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

16 (c) Notwithstanding subsection (a), if the corporation determines  
17 that:

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

20 (2) certification of the applicable tax credit will result in an  
21 aggregate amount of applicable tax credits certified for that state  
22 fiscal year that exceeds the maximum amount provided in  
23 subsection (a);

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

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

27 SECTION 5. IC 5-28-44 IS ADDED TO THE INDIANA CODE  
28 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
29 UPON PASSAGE]:

30 **Chapter 44. Unmanned Aircraft Systems Test Site**

31 **Sec. 1. In enacting this chapter, it is the intent of the general**  
32 **assembly to advance the state's leadership position in technologies**  
33 **related to unmanned aircraft systems to foster more opportunities**  
34 **for citizens of the state with respect to unmanned aircraft system**  
35 **technology and related industries and to support the federal**  
36 **government in research, development, and testing in support of**  
37 **commerce and national security. The general assembly finds the**  
38 **following:**

39 (1) The FAA announced on January 8, 2026, that Indiana is  
40 designated as a test site for UAS.

41 (2) The FAA notes that test sites help the United States assess  
42 emerging technologies to modernize methods for cargo

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1 delivery, Beyond Visual Line of Sight operations, and  
 2 multiple UAS operations while informing safety and security,  
 3 ushering in the safe commercialization of UAS technologies  
 4 and fully integrating UAS into the national airspace system.

5 (3) Indiana's designation as a test site was the result of a  
 6 competitive process against other states and a joint  
 7 application between the corporation and the operating  
 8 partner. The proposal was developed under a contract  
 9 between the corporation and the operating partner to pursue  
 10 similar federal programs.

11 (4) The FAA test site will require substantial reporting and  
 12 compliance activities to comply with federal laws and  
 13 regulations governing the federal UAS Test Site Program  
 14 and ancillary activities and is desirable for efficiency, clarity,  
 15 and transparency to avoid duplicating regulatory schemes at  
 16 the federal and state levels.

17 **Sec. 2.** As used in this chapter, "FAA" means the Federal  
 18 **Aviation Administration.**

19 **Sec. 3.** As used in this chapter, "operating partner" means the  
 20 Indiana based nonprofit corporation that partners with the  
 21 corporation to operate and maintain the UAS test site under  
 22 supervision of the corporation.

23 **Sec. 4.** As used in this chapter, "test site" means the Indiana  
 24 UAS test site awarded to the corporation by the FAA.

25 **Sec. 5.** As used in this chapter, "UAS" means an unmanned  
 26 aircraft system, including counter UAS and other related entities.

27 **Sec. 6.** Notwithstanding any other law, during the period that  
 28 the test site remains subject to federal requirements as part of the  
 29 UAS Test Site Program operated by the FAA, the corporation and  
 30 operating partner are not subject to any state law concerning the  
 31 following for purposes of operating the test site:

32 (1) State procurement requirements.

33 (2) State contracting requirements.

34 (3) State fee setting requirements.

35 **Sec. 7. (a)** The operating partner shall establish a bank account  
 36 that is separate and segregated from any other bank account under  
 37 the operating partner's control and administer all funds for the test  
 38 site in the bank account.

39 (b) The operating partner may administer and deposit all  
 40 income, earnings, and other receipts accrued through operation of  
 41 the test site in the bank account, including any state or federal  
 42 funding received through a contract, or as a grant or loan.

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1 (c) The operating partner may expend money from the bank  
2 account for operations of the test site, including costs for  
3 administration, staffing, equipment, test site activities,  
4 communications, and marketing. The operating partner may  
5 transfer revenue from the bank account to the corporation or any  
6 other state agency to be used for the following purposes:

- 7 (1) To procure UAS technology for use by the state.
- 8 (2) To pursue federal funding for activities related to UAS  
9 that benefit the state.
- 10 (3) To support economic development activities related to  
11 UAS research or manufacturing.

12 (d) The operating partner shall keep a full and complete  
13 record of funds received and disbursed by the operating partner.  
14 The report is subject to audit and must be submitted to the  
15 corporation board not later than July 1 of each year, or more often  
16 as required by the corporation.

17 Sec. 8. The state examiner, or deputy examiners, field  
18 examiners, or private examiners, shall make a full and complete  
19 report of the records and receipts of the test site.

20 Sec. 9. The operating partner shall do the following:

- 21 (1) Respond to requests from local, regional, or state  
22 economic development organizations for assistance with  
23 economic activities intended to attract companies, or to  
24 develop clusters of activity, within the UAS sector.
- 25 (2) Respond to requests from state agencies for expertise  
26 related to the procurement of UAS technology.
- 27 (3) Respond to requests from state agencies for assistance  
28 with the development of new UAS test activities within  
29 particular economic sectors.

30 Sec. 10. The operating partner is responsible for carrying out  
31 the FAA's requirements and obligations for the safe operation and  
32 maintenance of the test site and for managing the day to day  
33 operations of the test site under supervision of the corporation.

34 Sec. 11. (a) Notwithstanding any other law, the corporation  
35 may enter into an agreement with the operating partner to fulfill  
36 the requirements of this chapter and any other applicable  
37 requirement from the FAA or another federal agency.

38 (b) The corporation may dedicate resources as determined  
39 necessary and appropriate by the corporation to support the  
40 implementation and ongoing operation of the test site, including  
41 staff support, administrative support, and direct financial support.

42 Sec. 12. Not later than December 1, 2026, and, beginning after

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1 **December 31, 2026, not later than June 1 and December 1 of each**  
2 **calendar year, the operating partner and the corporation shall**  
3 **submit a written report for review to the budget committee**  
4 **concerning the following:**

5 **(1) An itemization of each of the expenditures of money from**  
6 **the bank account established under section 7 of this chapter**  
7 **since the last report to the budget committee.**

8 **(2) Anticipated expenditures for the subsequent six (6)**  
9 **months.**

10 **(3) Funding sources for expenditures.**

11 **(4) Any other information requested by the budget**  
12 **committee.**

13 SECTION 6. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025,  
14 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 45. (a) This subsection  
16 applies only to a taxpayer's assessable depreciable personal property  
17 that is placed in service on or before January 1, 2025. Except as  
18 provided in subsections (b) and (c), for each assessment date, the total  
19 valuation of a taxpayer's assessable depreciable personal property in a  
20 single taxing district may not be less than thirty percent (30%) of the  
21 adjusted cost of all the taxpayer's assessable depreciable property in the  
22 taxing district.

23 (b) The limitation set forth in subsection (a) is to be applied before  
24 any special adjustment for abnormal obsolescence. The limitation does  
25 not apply to equipment not placed in service, special tooling, and  
26 permanently retired depreciable personal property.

27 (c) Depreciable personal property that is placed in service after  
28 January 1, 2025, is not subject to the minimum valuation limitation  
29 under this section. However, if depreciable personal property:

30 **(1) is placed in service after January 1, 2025, and is located in an**  
31 **existing tax increment allocation area for which the base**  
32 **assessed value is determined before January 1, 2025; or**

33 **(2) is owned by a light, heat, or power company, or a utility**  
34 **company owned, operated, or held in trust by a consolidated**  
35 **city;**

36 the depreciable personal property remains subject to the minimum  
37 valuation limitations under this section.

38 SECTION 7. IC 6-1.1-10-16, AS AMENDED BY P.L.230-2025,  
39 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JANUARY 1, 2027]: Sec. 16. (a) All or part of a building is exempt  
41 from property taxation if it is owned, occupied, and used by a person  
42 for educational, literary, scientific, religious, or charitable purposes.

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1 (b) A building is exempt from property taxation if it is owned,  
 2 occupied, and used by a town, city, township, or county for educational,  
 3 literary, scientific, fraternal, or charitable purposes.

4 (c) A tract of land, including the campus and athletic grounds of  
 5 an educational institution, is exempt from property taxation if:

6 (1) a building that is exempt under subsection (a) or (b) is  
 7 situated on it;

8 (2) a parking lot or structure that serves a building referred to in  
 9 subdivision (1) is situated on it; or

10 (3) the tract:

11 (A) is owned by a nonprofit entity established for the  
 12 purpose of retaining and preserving land and water for their  
 13 natural characteristics;

14 (B) does not exceed five hundred (500) acres; and

15 (C) is not used by the nonprofit entity to make a profit.

16 (d) A tract of land is exempt from property taxation if:

17 (1) it is purchased for the purpose of erecting a building that is  
 18 to be owned, occupied, and used in such a manner that the  
 19 building will be exempt under subsection (a) or (b); and

20 (2) not more than four (4) years after the property is purchased,  
 21 and for each year after the four (4) year period, the owner  
 22 demonstrates substantial progress and active pursuit towards the  
 23 erection of the intended building and use of the tract for the  
 24 exempt purpose. To establish substantial progress and active  
 25 pursuit under this subdivision, the owner must prove the  
 26 existence of factors such as the following:

27 (A) Organization of and activity by a building committee or  
 28 other oversight group.

29 (B) Completion and filing of building plans with the  
 30 appropriate local government authority.

31 (C) Cash reserves dedicated to the project of a sufficient  
 32 amount to lead a reasonable individual to believe the actual  
 33 construction can and will begin within four (4) years.

34 (D) The breaking of ground and the beginning of actual  
 35 construction.

36 (E) Any other factor that would lead a reasonable individual  
 37 to believe that construction of the building is an active plan  
 38 and that the building is capable of being completed within  
 39 eight (8) years considering the circumstances of the owner.

40 If the owner of the property sells, leases, or otherwise transfers a tract  
 41 of land that is exempt under this subsection, the owner is liable for the  
 42 property taxes that were not imposed upon the tract of land during the

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1 period beginning January 1 of the fourth year following the purchase  
2 of the property and ending on December 31 of the year of the sale,  
3 lease, or transfer. The county auditor of the county in which the tract  
4 of land is located may establish an installment plan for the repayment  
5 of taxes due under this subsection. The plan established by the county  
6 auditor may allow the repayment of the taxes over a period of years  
7 equal to the number of years for which property taxes must be repaid  
8 under this subsection.

9 (e) Personal property is exempt from property taxation if it is  
10 owned and used in such a manner that it would be exempt under  
11 subsection (a) or (b) if it were a building.

12 (f) A hospital's property that is exempt from property taxation  
13 under subsection (a), (b), or (e) shall remain exempt from property  
14 taxation even if the property is used in part to furnish goods or services  
15 to another hospital whose property qualifies for exemption under this  
16 section.

17 (g) Property owned by a shared hospital services organization that  
18 is exempt from federal income taxation under Section 501(c)(3) or  
19 501(e) of the Internal Revenue Code is exempt from property taxation  
20 if it is owned, occupied, and used exclusively to furnish goods or  
21 services to a hospital whose property is exempt from property taxation  
22 under subsection (a), (b), or (e).

23 (h) This section does not exempt from property tax an office or a  
24 practice of a physician or group of physicians that is owned by a  
25 hospital licensed under IC 16-21-2 or other property that is not  
26 substantially related to or supportive of the inpatient facility of the  
27 hospital unless the office, practice, or other property:

- 28 (1) provides or supports the provision of charity care (as defined
- 29 in IC 16-18-2-52.5), including providing funds or other financial
- 30 support for health care services for individuals who are indigent
- 31 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- 32 (2) provides or supports the provision of community benefits (as
- 33 defined in IC 16-21-9-1), including research, education, or
- 34 government sponsored indigent health care (as defined in
- 35 IC 16-21-9-2).

36 However, participation in the Medicaid or Medicare program alone  
37 does not entitle an office, practice, or other property described in this  
38 subsection to an exemption under this section.

39 (i) A tract of land or a tract of land plus all or part of a structure on  
40 the land is exempt from property taxation if:

- 41 (1) the tract is acquired for the purpose of erecting, renovating,
- 42 or improving a single family residential structure that is to be

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- 1 given away or sold:
- 2 (A) in a charitable manner;
- 3 (B) by a nonprofit organization; and
- 4 (C) to low income individuals who will:
  - 5 (i) use the land as a family residence; and
  - 6 (ii) not have an exemption for the land under this
  - 7 section;
  - 8 (2) the tract does not exceed three (3) acres; and
  - 9 (3) the tract of land or the tract of land plus all or part of a
  - 10 structure on the land is not used for profit while exempt under
  - 11 this section.
  - 12 (j) An exemption under subsection (i) terminates when the
  - 13 property is conveyed by the nonprofit organization to another owner.
  - 14 (k) When property that is exempt in any year under subsection (i)
  - 15 is conveyed to another owner, the nonprofit organization receiving the
  - 16 exemption must file a certified statement with the auditor of the county,
  - 17 notifying the auditor of the change not later than sixty (60) days after
  - 18 the date of the conveyance. The county auditor shall immediately
  - 19 forward a copy of the certified statement to the county assessor. A
  - 20 nonprofit organization that fails to file the statement required by this
  - 21 subsection is liable for the amount of property taxes due on the
  - 22 property conveyed if it were not for the exemption allowed under this
  - 23 chapter.
  - 24 (l) If property is granted an exemption in any year under
  - 25 subsection (i) and the owner:
    - 26 (1) fails to transfer the tangible property within eight (8) years
    - 27 after the assessment date for which the exemption is initially
    - 28 granted; or
    - 29 (2) transfers the tangible property to a person who:
      - 30 (A) is not a low income individual; or
      - 31 (B) does not use the transferred property as a residence for
      - 32 at least one (1) year after the property is transferred;
      - 33 the person receiving the exemption shall notify the county recorder and
      - 34 the county auditor of the county in which the property is located not
      - 35 later than sixty (60) days after the event described in subdivision (1) or
      - 36 (2) occurs. The county auditor shall immediately inform the county
      - 37 assessor of a notification received under this subsection.
      - 38 (m) If subsection (l)(1) or (l)(2) applies, the owner shall pay, not
      - 39 later than the date that the next installment of property taxes is due, an
      - 40 amount equal to the sum of the following:
        - 41 (1) The total property taxes that, if it were not for the exemption
        - 42 under subsection (i), would have been levied on the property in

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1 each year in which an exemption was allowed.  
 2 (2) Interest on the property taxes at the rate of ten percent (10%)  
 3 per year.  
 4 (n) The liability imposed by subsection (m) is a lien upon the  
 5 property receiving the exemption under subsection (i). An amount  
 6 collected under subsection (m) shall be collected as an excess levy. If  
 7 the amount is not paid, it shall be collected in the same manner that  
 8 delinquent taxes on real property are collected.  
 9 (o) Property referred to in this section shall be assessed to the  
 10 extent required under IC 6-1.1-11-9.  
 11 (p) This subsection applies to assessment dates occurring before  
 12 January 1, 2026. A for-profit provider of early childhood education  
 13 services to children who are at least four (4) but less than six (6) years  
 14 of age on the annual assessment date may receive the exemption  
 15 provided by this section for property used for educational purposes  
 16 only if all the requirements of section 46 of this chapter are satisfied.  
 17 A for-profit provider of early childhood education services that  
 18 provides the services only to children younger than four (4) years of  
 19 age may not receive the exemption provided by this section for  
 20 property used for educational purposes.  
 21 (q) This subsection applies to assessment dates occurring after  
 22 December 31, 2025. Property used by a for-profit provider of early  
 23 childhood education services to children who are less than six (6) years  
 24 of age on the annual assessment date may receive the exemption  
 25 provided by this section for property used for educational purposes  
 26 only if all the requirements of section 46 of this chapter are satisfied.  
 27 **(r) This subsection applies only to an Indiana nonprofit**  
 28 **hospital system (as defined in IC 16-21-18-2). Notwithstanding any**  
 29 **other law, real property directly or indirectly owned by the**  
 30 **nonprofit hospital system purchased prior to July 1, 2026, is not**  
 31 **exempt from property taxation if, after ten (10) years from the date**  
 32 **of purchase of the property by the nonprofit hospital system, the**  
 33 **property directly or indirectly owned by the nonprofit hospital**  
 34 **system is not being used for the performance of revenue producing**  
 35 **health care services by the nonprofit hospital system that directly**  
 36 **or indirectly owns the property. For purposes of this subsection,**  
 37 **"health care services" means the:**  
 38 **(1) assessment;**  
 39 **(2) diagnosis;**  
 40 **(3) evaluation;**  
 41 **(4) consultation;**  
 42 **(5) treatment; and**

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1           **(6) monitoring;**  
2           **of an entity's patients. The term includes medical education,**  
3           **preventative care, rehabilitative services, long term care, and**  
4           **administrative services that are necessary for the provision of a**  
5           **patient's care.**

6           **(s) This subsection applies only to an Indiana nonprofit**  
7           **hospital system (as defined in IC 16-21-18-2). Real property**  
8           **directly or indirectly owned by the nonprofit hospital system**  
9           **purchased after June 30, 2026, is not exempt from property**  
10           **taxation if the property directly or indirectly owned by the**  
11           **nonprofit hospital system is not being used for the performance of**  
12           **revenue producing health care services by the nonprofit hospital**  
13           **system that directly or indirectly owns the property. For purposes**  
14           **of this subsection, "health care services" has the meaning set forth**  
15           **in subsection (r).**

16           **(t) The disallowance of an exemption under subsection (r) does**  
17           **not apply to a parking garage, parking lot, equipment facility area,**  
18           **or any other similar property that actively serves a nonprofit**  
19           **hospital system. A determination under this subsection as to**  
20           **whether a parking garage, parking lot, equipment facility area, or**  
21           **any other similar property actively serves a nonprofit hospital**  
22           **system shall be made by the board of zoning appeals with**  
23           **jurisdiction over the property.**

24           **(r) (u) This subsection applies only to property taxes that are first**  
25           **due and payable in calendar years 2025 and 2026. All or part of a**  
26           **building is deemed to serve a charitable purpose and is exempt from**  
27           **property taxation if it is owned by a nonprofit entity that is:**

- 28           (1) registered as a continuing care retirement community under
- 29           IC 23-2-4 and charges an entry fee of not more than five hundred
- 30           thousand dollars (\$500,000) per unit;
- 31           (2) defined as a small house health facility under
- 32           IC 16-18-2-331.9;
- 33           (3) licensed as a health care or residential care facility under
- 34           IC 16-28; or
- 35           (4) licensed under IC 31-27 and designated as a qualified
- 36           residential treatment provider that provides services under a
- 37           contract with the department of child services.

38           This subsection expires January 1, 2027.

39           SECTION 8. IC 6-1.1-17-20.3, AS AMENDED BY P.L.230-2025,  
40           SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41           JULY 1, 2026]: Sec. 20.3. (a) Except as provided in section 20.4 of this  
42           chapter, this section applies only to the governing body of a public

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1 library that:

2 (1) is not comprised of a majority of officials who are elected to

3 serve on the governing body; and

4 (2) has a percentage increase in the proposed budget for the

5 taxing unit for the ensuing calendar year that is ~~more than the~~

6 **result equal to or more than fifty percent (50%)** of

7 ~~(A)~~ the maximum levy growth quotient determined under

8 IC 6-1.1-18.5-2 for the ensuing calendar year, rounded to

9 the nearest thousandth (0.001). ~~minus~~

10 ~~(B) one (+)~~;

11 For purposes of this section, an individual who qualifies to be

12 appointed to a governing body or serves on a governing body because

13 of the individual's status as an elected official of another taxing unit

14 shall be treated as an official who was not elected to serve on the

15 governing body.

16 (b) This section does not apply to an entity whose tax levies are

17 subject to review and modification by a city-county legislative body

18 under IC 36-3-6-9.

19 (c) If:

20 (1) the assessed valuation of a public library's territory is entirely

21 contained within a city or town; or

22 (2) the assessed valuation of a public library's territory is not

23 entirely contained within a city or town but more than fifty

24 percent (50%) of the assessed valuation of the public library's

25 territory is contained within the city or town;

26 the governing body shall submit its proposed budget and property tax

27 levy to the city or town fiscal body in the manner prescribed by the

28 department of local government finance before September 2 of a year.

29 However, the governing body shall submit its proposed budget and

30 property tax levy to the county fiscal body in the manner provided in

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

32 fifty percent (50%) of the parcels of real property within the

33 jurisdiction of the public library are located outside the city or town.

34 (d) If subsection (c) does not apply or the public library's territory

35 covers more than one (1) county, the governing body of the public

36 library shall submit its proposed budget and property tax levy to the

37 county fiscal body in the county where the public library has the most

38 assessed valuation. The proposed budget and levy shall be submitted

39 to the county fiscal body in the manner prescribed by the department

40 of local government finance before September 2 of a year.

41 (e) The fiscal body of the city, town, or county (whichever applies)

42 shall review each budget and proposed tax levy and adopt a final

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1 budget and tax levy for the public library. The fiscal body may reduce  
2 or modify but not increase the proposed budget or tax levy.

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

16 STEP ONE: Determine:

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

19 (B) one (1).

20 STEP TWO: Multiply:

21 (A) the STEP ONE result; by

22 (B) eight-tenths (0.8).

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

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

32 (g) If the appropriate fiscal body fails to complete the requirements  
33 of subsection (e) before the adoption deadline in section 5 of this  
34 chapter for any public library subject to this section, when calculating  
35 the maximum ad valorem property tax levy under IC 6-1.1-18.5-3(a)  
36 for the city, town, or county for the ensuing budget year, instead of  
37 multiplying the maximum levy growth quotient determined under  
38 IC 6-1.1-18.5-2(b) or IC 6-1.1-18.5-2(e) (as applicable) for the year by  
39 the city's, town's, or county's maximum permissible ad valorem  
40 property tax levy for the preceding calendar year as prescribed in STEP  
41 TWO of IC 6-1.1-18.5-3(a), for purposes of STEP TWO of  
42 IC 6-1.1-18.5-3(a), the city's, town's, or county's maximum permissible

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1 ad valorem property tax levy for the preceding calendar year must  
2 instead be multiplied by the result of the following:

3 STEP ONE: Determine:  
4 (A) the result of STEP FOUR of IC 6-1.1-18.5-2(b) or STEP  
5 FIVE of IC 6-1.1-18.5-2(e) (as applicable); minus  
6 (B) one (1).

7 STEP TWO: Multiply:  
8 (A) the STEP ONE result; by  
9 (B) eight-tenths (0.8).

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

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

19 SECTION 9. IC 6-2.5-5-26, AS AMENDED BY P.L.193-2023,  
20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JULY 1, 2026]: Sec. 26. (a) Sales of tangible personal property by an  
22 organization are exempt from the state gross retail tax if either of the  
23 following apply:

24 (1) The organization:  
25 (A) is described in section 25(a)(1)(A) through 25(a)(1)(C)  
26 of this chapter, section 25(a)(1)(D)(i) through  
27 25(a)(1)(D)(iii) of this chapter, or section 25(a)(1)(D)(ix) of  
28 this chapter;  
29 (B) makes the sale to make money to carry on a  
30 not-for-profit purpose; and  
31 (C) did not make more than one hundred thousand dollars  
32 (\$100,000) in sales in the current calendar year or the  
33 previous calendar year.

34 (2) The organization:  
35 (A) is described in section 25(a)(1)(D)(iv) through  
36 25(a)(1)(D)(viii) of this chapter; ~~or~~  
37 (B) is a youth organization focused on agriculture;  
38 **(C) is a youth organization listed in 36 U.S.C. 101 et. seq.**  
39 **that:**  
40 **(i) has an educational purpose; and**  
41 **(ii) promotes patriotism and civic involvement; or**  
42 **(D) is an organization that:**

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1                                   **(i) is exempt from federal income taxation under**  
2                                   **Section 501(c)(3) of the Internal Revenue Code; and**  
3                                   **(ii) promotes youth shooting sports.**  
4       Once sales of an organization that meets the qualifications under  
5       subdivision (1), but does not meet the qualifications under subdivision  
6       (2), exceed the amount described in subdivision (1), the organization  
7       is required to collect state gross retail tax on sales on an ongoing basis  
8       for the remainder of the calendar year and each calendar year thereafter  
9       until the organization makes less than one hundred thousand dollars  
10      (\$100,000) in sales for two (2) consecutive years.  
11      (b) For purposes of subsection (a), the sales of an organization  
12      include sales made by all units operating under the organization's  
13      registration pursuant to section 25(c) of this chapter.  
14      (c) If the qualifications of subsection (a) are not met, sales of  
15      tangible personal property by an organization described in section  
16      25(a)(1) of this chapter are exempt from the state gross retail tax, if:  
17              (1) the organization is not operated predominantly for social  
18              purposes;  
19              (2) the property sold is designed and intended primarily either  
20              for the organization's educational, cultural, or religious purposes,  
21              or for improvement of the work skills or professional  
22              qualifications of the organization's members; and  
23              (3) the property sold is not designed or intended primarily for  
24              use in carrying on a private or proprietary business.  
25      (d) Sales of tangible personal property by a public library, or a  
26      charitable organization described in section 25(a)(1) of this chapter  
27      formed to support a public library, are exempt from the state gross  
28      retail tax if the property sold consists of:  
29              (1) items in the library's circulated and publicly available  
30              collections, including items from the library's holdings; or  
31              (2) items that would typically be included in the library's  
32              circulated and publicly available collections and that are donated  
33              by individuals or organizations to a public library or to a  
34              charitable organization described in section 25(a)(1) of this  
35              chapter formed to support a public library.  
36      The exemption provided by this subsection does not apply to any other  
37      sales of tangible personal property by a public library.  
38      (e) The exemption provided by this section does not apply to an  
39      accredited college or university's sales of books, stationery,  
40      haberdashery, supplies, or other property.  
41      (f) To obtain the exemption provided by this section, a taxpayer  
42      must follow the procedures set forth in section 25(c) of this chapter.

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1 SECTION 10. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011,  
2 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]: Sec. 7. (a) The Indiana economic development  
4 corporation shall certify that a business is a qualified Indiana business  
5 if the corporation determines that the business:

- 6 (1) has its headquarters in Indiana;
- 7 (2) is primarily focused on professional motor vehicle racing,  
8 commercialization of research and development, technology  
9 transfers, or the application of new technology, or is determined  
10 by the Indiana economic development corporation to have  
11 significant potential to:

- 12 (A) bring substantial capital into Indiana;
- 13 (B) create jobs;
- 14 (C) diversify the business base of Indiana; or
- 15 (D) significantly promote the purposes of this chapter in any  
16 other way;

- 17 (3) has had average annual revenues of less than ten million  
18 dollars (\$10,000,000) in the two (2) years preceding the year in  
19 which the business received qualified investment capital from a  
20 taxpayer claiming a credit under this chapter;

21 (4) has:

- 22 (A) at least fifty percent (50%) of its employees residing in  
23 Indiana; or
- 24 (B) at least seventy-five percent (75%) of its assets located  
25 in Indiana; and

26 (5) is not engaged in a business involving:

- 27 (A) real estate;
- 28 (B) real estate development;
- 29 (C) insurance;
- 30 (D) professional services provided by an accountant, a  
31 lawyer, or a physician;
- 32 (E) retail sales, except when:
  - 33 (i) the primary purpose of the business is the  
34 development or support of electronic commerce using  
35 the Internet; or
  - 36 (ii) **the business is engaged in retail sales as a  
37 method to sell a unique product that the business  
38 developed, for which the business holds patents, or  
39 of which the business otherwise has ownership; or**
- 40 (F) oil and gas exploration.

41 (b) A business shall apply to be certified as a qualified Indiana  
42 business on a form prescribed by the Indiana economic development

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1 corporation.

2 (c) If a business is certified as a qualified Indiana business under  
3 this section, the Indiana economic development corporation shall  
4 provide a copy of the certification to the investors in the qualified  
5 Indiana business for inclusion in tax filings.

6 (d) Except as provided in subsection (e), the Indiana economic  
7 development corporation may impose an application fee of not more  
8 than two hundred dollars (\$200).

9 (e) The Indiana economic development corporation may not  
10 impose the application fee authorized by subsection (d) for applications  
11 submitted during the period beginning July 1, 2011, and ending June  
12 30, 2013.

13 SECTION 11. IC 6-3.1-24-7.5, AS ADDED BY P.L.165-2021,  
14 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2026]: Sec. 7.5. (a) The Indiana economic development  
16 corporation may certify that an investment fund is a qualified Indiana  
17 investment fund if the corporation determines that the fund meets the  
18 definition in section 2.5 of this chapter and the requirements in  
19 subsection (b).

20 (b) The Indiana economic development corporation may only  
21 certify a fund as a qualified Indiana investment fund if the fund makes  
22 investments according to a policy that:

23 (1) requires eligible companies to be primarily focused on the  
24 commercialization of research and development, technology  
25 transfer, or application of new technology; and

26 (2) prioritizes investments in companies that:

27 (A) have received a grant, loan, or other investment funds  
28 provided by the Indiana twenty-first century research and  
29 technology fund established by IC 5-28-16-2; or

30 (B) maintain a substantial presence in Indiana.

31 **The policy referred to in this subsection shall apply only to**  
32 **investable capital in the fund, excluding management fees, legal**  
33 **fees, and other expenses incurred in the operation of the fund.**

34 (c) An investment fund must apply to be certified as a qualified  
35 Indiana investment fund on a form prescribed by the Indiana economic  
36 development corporation.

37 (d) If an investment fund is certified as a qualified Indiana  
38 investment fund under this section, the Indiana economic development  
39 corporation shall provide a copy of the certification to the investors in  
40 the qualified Indiana investment fund for inclusion in tax filings.

41 SECTION 12. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,  
42 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined  
 2 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year  
 3 exceeds the taxpayer's state tax liability for that taxable year, the  
 4 taxpayer may carry the excess credit over for a period not to exceed the  
 5 taxpayer's following five (5) taxable years. The amount of the credit  
 6 carryover from a taxable year shall be reduced to the extent that the  
 7 carryover is used by the taxpayer to obtain a credit under this chapter  
 8 for any subsequent taxable year. A taxpayer is not entitled to a  
 9 carryback or a refund of any unused credit amount.

10 (b) If the corporation certifies a credit for an investment that is  
 11 made after June 30, 2020, and before July 1, 2029, the taxpayer may  
 12 assign all or part of the credit to which the taxpayer is entitled under  
 13 this chapter, subject to the limitations set forth in subsection (c).

14 (c) The following apply to the assignment of a credit under this  
 15 chapter:

16 (1) A taxpayer may not assign all or part of a credit or credits to  
 17 a particular person in amounts that are less than ten thousand  
 18 dollars (\$10,000).

19 (2) Before a credit may be assigned, the taxpayer must notify the  
 20 corporation of the assignment of the credit in the manner  
 21 prescribed by the corporation.

22 (3) An assignment of a credit must be in writing, and both the  
 23 taxpayer and assignee shall report the assignment on the  
 24 taxpayer's and assignee's state tax returns for the year in which  
 25 the assignment is made, in the manner prescribed by the  
 26 department.

27 (4) Once a particular credit or credits are assigned, the assignee  
 28 may not assign all or part of the credit or credits to another  
 29 person.

30 (5) A taxpayer may not receive value in connection with an  
 31 assignment under this section that exceeds the value of that part  
 32 of the credit assigned.

33 **Nothing in this subsection shall prevent a taxpayer from combining**  
 34 **individual credits of less than ten thousand dollars (\$10,000) for**  
 35 **assignment.**

36 (d) The corporation shall collect and compile data on the  
 37 assignments of tax credits under this chapter and determine the  
 38 effectiveness of each assignment in getting projects completed. The  
 39 corporation shall report its findings under this subsection to the  
 40 legislative council in an electronic format under IC 5-14-6 before  
 41 November 1, 2022. This subsection expires January 1, 2023.

42 SECTION 13. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. (a) In order to facilitate the**  
 3 **redevelopment and rehabilitation of property in Indiana that**  
 4 **promotes regional collaboration and long term strategic planning,**  
 5 **the corporation shall commit thirty-five million dollars**  
 6 **(\$35,000,000) in tax credits under this chapter each state fiscal year**  
 7 **among:**

- 8 (1) development authorities;  
 9 (2) qualified nonprofit organizations; and  
 10 (3) local economic development organizations that:  
 11 (A) represent a single unit or multiple units; and  
 12 (B) have an economically significant impact, as  
 13 determined by the corporation;

14 which may subsequently be awarded by the corporation at the  
 15 request of an entity described in subdivisions (1) through (3) to a  
 16 taxpayer proposing a qualified investment in a qualified  
 17 redevelopment site. The corporation shall consider the regional  
 18 significance of a project when awarding the tax credits under this  
 19 subsection.

20 (b) Not later than January 1, 2031, the corporation shall  
 21 present a report to the budget committee concerning the tax credits  
 22 awarded under this section, including the status of the projects for  
 23 which tax credits were awarded under this section and the regional  
 24 impact of the projects.

25 SECTION 14. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA  
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2026]: **Sec. 2.1. As used in this chapter,**  
 28 **"development authority" refers to a regional development**  
 29 **authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or**  
 30 **IC 36-7.7-3-1.**

31 SECTION 15. IC 6-3.1-34-5.5 IS ADDED TO THE INDIANA  
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. As used in this chapter,**  
 34 **"qualified nonprofit organization" means a nonprofit organization**  
 35 **that:**

- 36 (1) was established and obtained tax exempt status under  
 37 Section 501 of the Internal Revenue Code before January 1,  
 38 2016, and has since maintained tax exempt status under  
 39 Section 501 of the Internal Revenue Code;  
 40 (2) was formed to support economic development across the  
 41 region; and  
 42 (3) does not represent a single interest group or local unit or

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1           **units within a single county.**  
2           SECTION 16. IC 6-3.1-34-24 IS ADDED TO THE INDIANA  
3           CODE AS A NEW SECTION TO READ AS FOLLOWS  
4           [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) As used in this section,  
5           **"downtown area" means:**  
6                   (1) the central business district of a city or town; or  
7                   (2) any commercial or mixed use area within a neighborhood  
8                   of a city or town that has traditionally served, since the  
9                   founding of the community, as the retail service and  
10                  communal focal point within the community.  
11           (b) As used in this section, "initiative" means the small town  
12           opportunity initiative established by subsection (f).  
13           (c) As used in this section, "nonprofit taxpayer" means a  
14           taxpayer:  
15                   (1) that is tax exempt under Section 501 of the Internal  
16                   Revenue Code;  
17                   (2) for which some or all of its mission is to revitalize the  
18                   community it serves; and  
19                   (3) whose leadership includes primarily members of the  
20                   community it serves.  
21           (d) As used in this section, "qualified community project"  
22           means a project that:  
23                   (1) is located in the:  
24                           (A) downtown area of a city or a town with a population  
25                           of less than thirty thousand (30,000);  
26                           (B) downtown area of a city or a town that is located in  
27                           a county with a population of less than seventy-five  
28                           thousand (75,000); or  
29                           (C) unincorporated territory of a county with a  
30                           population of less than seventy-five thousand (75,000) if  
31                           the site of the project is an area of the unincorporated  
32                           territory that serves as the retail service and communal  
33                           focal point within the unincorporated territory;  
34                   (2) involves the:  
35                           (A) historic preservation;  
36                           (B) redevelopment; or  
37                           (C) rehabilitation;  
38                   of real property; and  
39                   (3) has a total project budget of at least fifteen million dollars  
40                   (\$15,000,000).  
41           (e) As used in this section, "qualified investment" means the  
42           amount of the taxpayer's expenditures that are:

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- 1           (1) for the redevelopment or rehabilitation of real property  
2           as part of a qualified community project; and  
3           (2) approved by the corporation before the expenditure is  
4           made.
- 5           (f) The small town opportunity initiative is established.
- 6           (g) The corporation shall administer the initiative.
- 7           (h) The purpose of the initiative is to undertake qualified  
8           community projects within local government units to do the  
9           following:
- 10           (1) Advance historic preservation.
- 11           (2) Redevelop or rehabilitate distressed buildings or  
12           underutilized property.
- 13           (3) Redevelop or rehabilitate sites where distressed buildings  
14           once stood.
- 15           (i) A for-profit taxpayer undertaking a qualified community  
16           project under the initiative is entitled to a redevelopment tax credit  
17           under this chapter equal to twenty percent (20%) of the taxpayer's  
18           cost of the project.
- 19           (j) A nonprofit taxpayer undertaking a qualified community  
20           project under the initiative is entitled to a redevelopment tax credit  
21           under this chapter equal to thirty percent (30%) of the taxpayer's  
22           cost of the project.
- 23           (k) Qualified community projects undertaken under this  
24           section are not subject to any statutory or administrative  
25           repayment obligation.
- 26           (l) Notwithstanding any other provision of this section, for a  
27           nonprofit taxpayer undertaking a qualified community project  
28           under this section, expenditures incurred to acquire, hold, or  
29           prepare real property for redevelopment or rehabilitation before  
30           the date the taxpayer's initial application or application for  
31           certification is approved by the corporation shall be included in the  
32           taxpayer's qualified investment if:
- 33           (1) the expenditures were incurred for the primary purpose  
34           of future redevelopment consistent with subsection (h);
- 35           (2) the nonprofit taxpayer obtained site control in  
36           furtherance of a locally supported redevelopment effort; and
- 37           (3) the corporation determines, as part of the application or  
38           certification process, that inclusion of such expenditures is in  
39           the public interest and supportive of early stage community  
40           redevelopment efforts.
- 41           (m) For purposes of determining whether an expenditure is  
42           included as part of a qualified investment under subsection (l), an

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1 expenditure shall be treated as if it were approved by the  
2 corporation as of the date the expenditure was originally incurred.

3 SECTION 17. IC 6-9-30 IS ADDED TO THE INDIANA CODE  
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2026]:

6 **Chapter 30. Delaware County Hospitality Tax Board**  
7 **Consolidation Ordinance**

8 **Sec. 0.5. This chapter applies only to Delaware County.**

9 **Sec. 1. As used in this chapter, "consolidated entity" means a**  
10 **board resulting from the adoption of an ordinance under section**  
11 **4 of this chapter to consolidate the functions of each former entity**  
12 **into the consolidated entity.**

13 **Sec. 2. As used in this chapter, "executive" has the meaning set**  
14 **forth in IC 36-1-2-5.**

15 **Sec. 3. As used in this chapter, "former entity" means a board,**  
16 **bureau, commission, authority, or any other similar entity**  
17 **authorized to administer funds received from the county:**

18 (1) innkeeper's tax imposed under IC 6-9-18; or

19 (2) food and beverage tax imposed under IC 6-9-21.

20 **Sec. 4. The county executive may adopt an ordinance to**  
21 **consolidate the functions of a former entity with respect to the**  
22 **administration of funds received from the county:**

23 (1) innkeeper's tax imposed under IC 6-9-18; or

24 (2) food and beverage tax imposed under IC 6-9-21;

25 **into a single consolidated entity as designated in the ordinance to**  
26 **administer funds received from both of those taxes.**

27 **Sec. 5. If an ordinance is adopted under section 4 of this**  
28 **chapter, each former entity is abolished on the date the ordinance**  
29 **is adopted and may not exercise any of the powers, duties, or**  
30 **responsibilities conferred on the former entity under IC 6-9-18 or**  
31 **IC 6-9-21. In addition, the term of any individual serving on each**  
32 **former entity ends on the date the ordinance is adopted. The**  
33 **consolidated entity designated in the ordinance shall exercise the**  
34 **functions of each abolished former entity.**

35 **Sec. 6. (a) If an ordinance is adopted under section 4 of this**  
36 **chapter, the county executive may determine the number of**  
37 **members to serve on the consolidated entity, which must be an odd**  
38 **number. All members appointed to the consolidated entity must**  
39 **reside in the county. The county executive shall determine:**

40 (1) the qualifications to be appointed to the consolidated  
41 entity, which may not include consideration of political party  
42 affiliation;

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- 1           (2) the term of a member, which may not exceed four (4)
- 2           years, but may provide for:
- 3                 (A) the staggering of the terms of members initially
- 4                 appointed to the consolidated entity;
- 5                 (B) reappointment following the expiration of a
- 6                 member's term; and
- 7                 (C) the filling of vacancies if a vacancy occurs;
- 8           (3) the grounds for removal;
- 9           (4) the number of members required for a quorum; and
- 10          (5) any other matters that the county executive determines
- 11          reasonably relate to the composition of the consolidated
- 12          entity.

13          A member of the consolidated entity may not receive a salary or  
 14          benefits. However, a member of the consolidated entity is entitled  
 15          to reimbursement for necessary expenses incurred in the  
 16          performance of the member's respective duties.

17          (b) Each member of the consolidated entity, before entering  
 18          the member's duties, shall take an oath of office in the usual form,  
 19          to be endorsed upon the member's certificate of appointment and  
 20          promptly filed with the clerk of the circuit court of the county.

21          Sec. 7. If an ordinance is adopted under section 4 of this  
 22          chapter, the ordinance is final and the county executive may not  
 23          adopt a subsequent ordinance to restore each former entity and  
 24          transfer the powers, duties, and responsibilities concerning the  
 25          administration of the innkeeper's tax imposed under IC 6-9-18 or  
 26          food and beverage tax imposed under IC 6-9-21 back to each  
 27          former entity.

28          Sec. 8. If an ordinance is adopted under section 4 of this  
 29          chapter, money in a fund established under a provision of  
 30          IC 6-9-18 or IC 6-9-21 on the date the ordinance is adopted  
 31          remains in the fund and is available to be administered and used by  
 32          the consolidated entity for the purposes allowed under IC 6-9-18 or  
 33          IC 6-9-21.

34          Sec. 9. If an ordinance is adopted under section 4 of this  
 35          chapter, any bonds, leases, contractual agreements, or other  
 36          obligations issued, entered into, or in effect on or before the date  
 37          the ordinance is adopted are transferred to and assumed by the  
 38          consolidated entity.

39          Sec. 10. If an ordinance is adopted under section 4 of this  
 40          chapter, all records and property of each former entity are  
 41          transferred on the date the ordinance is adopted to the  
 42          consolidated entity.

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1           **Sec. 11. If an ordinance is adopted under section 4 of this**  
2 **chapter, the county executive must immediately send a certified**  
3 **copy of the ordinance to each of the following:**

- 4           **(1) The commissioner of the department of state revenue.**
- 5           **(2) The treasurer of state.**
- 6           **(3) The state comptroller.**

7           **Sec. 12. If an ordinance is adopted under section 4 of this**  
8 **chapter, a reference to a former entity in IC 6-9-18, IC 6-9-21,**  
9 **another statute, a rule, or any other document is considered a**  
10 **reference to the consolidated entity.**

11           **SECTION 18. IC 6-9-79 IS ADDED TO THE INDIANA CODE**  
12 **AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE**  
13 **JULY 1, 2026]:**

14           **Chapter 79. Bedford Food and Beverage Tax**

15           **Sec. 1. This chapter applies to the city of Bedford.**

16           **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**  
17 **chapter.**

18           **Sec. 3. (a) The fiscal body of the city may adopt an ordinance**  
19 **to impose an excise tax, known as the city food and beverage tax,**  
20 **on transactions described in section 4 of this chapter. The fiscal**  
21 **body of the city may adopt an ordinance under this subsection only**  
22 **after the fiscal body has previously held at least one (1) separate**  
23 **public hearing in which a discussion of the proposed ordinance to**  
24 **impose the city food and beverage tax is the only substantive issue**  
25 **on the agenda for the public hearing.**

26           **(b) If the city fiscal body adopts an ordinance under subsection**  
27 **(a), the city fiscal body shall immediately send a certified copy of the**  
28 **ordinance to the department of state revenue.**

29           **(c) If the city fiscal body adopts an ordinance under subsection**  
30 **(a), the city food and beverage tax applies to transactions that**  
31 **occur after the later of the following:**

- 32           **(1) The day specified in the ordinance.**
- 33           **(2) The last day of the month that succeeds the month in**  
34 **which the ordinance is adopted.**

35           **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**  
36 **under section 3 of this chapter applies to a transaction in which**  
37 **food or beverage is furnished, prepared, or served:**

- 38           **(1) for consumption at a location or on equipment provided**  
39 **by a retail merchant;**
- 40           **(2) in the city; and**
- 41           **(3) by a retail merchant for consideration.**

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1 (b) Transactions described in subsection (a)(1) include  
2 transactions in which food or beverage is:

- 3 (1) served by a retail merchant off the merchant's premises;  
4 (2) sold in a heated state or heated by a retail merchant;  
5 (3) made of two (2) or more food ingredients, mixed or  
6 combined by a retail merchant for sale as a single item (other  
7 than food that is only cut, repackaged, or pasteurized by the  
8 seller, and eggs, fish, meat, poultry, and foods containing  
9 these raw animal foods requiring cooking by the consumer  
10 as recommended by the federal Food and Drug  
11 Administration in chapter 3, subpart 3-401.11 of its Food  
12 Code so as to prevent food borne illnesses); or  
13 (4) sold with eating utensils provided by a retail merchant,  
14 including plates, knives, forks, spoons, glasses, cups, napkins,  
15 or straws (for purposes of this subdivision, a plate does not  
16 include a container or package used to transport food).

17 (c) The city food and beverage tax does not apply to the  
18 furnishing, preparing, or serving of a food or beverage in a  
19 transaction that is exempt, or to the extent the transaction is  
20 exempt, from the state gross retail tax imposed by IC 6-2.5.

21 Sec. 5. The city food and beverage tax rate:

- 22 (1) must be imposed in an increment of twenty-five  
23 hundredths percent (0.25%); and  
24 (2) may not exceed one percent (1%);

25 of the gross retail income received by the merchant from the food  
26 or beverage transaction described in section 4 of this chapter. For  
27 purposes of this chapter, the gross retail income received by the  
28 retail merchant from a transaction does not include the amount of  
29 tax imposed on the transaction under IC 6-2.5.

30 Sec. 6. A tax imposed under this chapter shall be imposed,  
31 paid, and collected in the same manner that the state gross retail  
32 tax is imposed, paid, and collected under IC 6-2.5. However, the  
33 return to be filed with the payment of the tax imposed under this  
34 chapter may be made on a separate return or may be combined  
35 with the return filed for the payment of the state gross retail tax,  
36 as prescribed by the department of state revenue.

37 Sec. 7. The amounts received from the tax imposed under this  
38 chapter shall be paid monthly by the treasurer of state to the city  
39 fiscal officer upon warrants issued by the state comptroller.

40 Sec. 8. (a) If a tax is imposed under section 3 of this chapter by  
41 the city, the city fiscal officer shall establish a food and beverage  
42 tax receipts fund.

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1 (b) The city fiscal officer shall deposit in the fund all amounts  
2 received under this chapter.

3 (c) Money earned from the investment of money in the fund  
4 becomes a part of the fund.

5 Sec. 9. Money in the food and beverage tax receipts fund must  
6 be used by the city only for the following purposes:

7 (1) Economic development and tourism related purposes or  
8 facilities, including the purchase of land for economic  
9 development or tourism related purposes.

10 (2) The pledge of money under IC 5-1-14-4 for bonds, leases,  
11 or other obligations incurred for a purpose described in  
12 subdivision (1).

13 Revenue derived from the imposition of a tax under this chapter  
14 may be treated by the city as additional revenue for the purpose of  
15 fixing its budget for the budget year during which the revenues are  
16 to be distributed to the city.

17 Sec. 10. With respect to obligations for which a pledge has  
18 been made under section 9 of this chapter, the general assembly  
19 covenants with the holders of the obligations that this chapter will  
20 not be repealed or amended in a manner that will adversely affect  
21 the imposition or collection of the tax imposed under this chapter  
22 if the payment of any of the obligations is outstanding.

23 Sec. 11. (a) If the city imposes the tax authorized by this  
24 chapter, the tax terminates on January 1, 2049.

25 (b) This chapter expires January 1, 2049.

26 SECTION 19. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,  
27 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JULY 1, 2028]: Sec. 2. (a) A county shall provide funding for the  
29 operation of community mental health centers in the amount  
30 determined under subsection (b) or, in the case of Marion County for  
31 calendar year 2019, calendar year 2020, and calendar year 2021, the  
32 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).

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

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

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

12 (A) the actual amount of the appropriations by the county  
 13 for community mental health centers under this chapter in  
 14 2018; plus

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

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

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

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

24 (A) the actual amount of the appropriations by the county  
 25 for community mental health centers under this chapter in  
 26 2019; plus

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

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

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

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

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

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- 1           **(d) A county may meet the funding requirements under this**
- 2 **section with any funding source in lieu of or in combination with**
- 3 **property taxes but excluding federal funds.**
- 4           ~~(d)~~ **(e) The funding provided by a county under this section shall**
- 5 **be used solely for:**
- 6           (1) the operations of community mental health centers serving
- 7           the county; or
- 8           (2) contributing to the nonfederal share of medical assistance
- 9           payments to community mental health centers serving the
- 10          county.
- 11          **(f) Services authorized through a community mental health**
- 12 **center certification shall only be provided in the community mental**
- 13 **health center's designated county or counties.**
- 14          **(g) Notwithstanding subsection (f), the division of mental**
- 15 **health and addiction may authorize approval for a community**
- 16 **mental health center to provide school based services outside the**
- 17 **community mental health center's designated service area.**
- 18          SECTION 20. IC 12-29-2-16, AS AMENDED BY P.L.59-2024,
- 19          SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 20          JULY 1, 2028]: Sec. 16. (a) A community mental health center that is
- 21          certified by the division of mental health and addiction shall provide an
- 22          annual report to the division of mental health and addiction and to the
- 23          fiscal body and the board of county commissioners of each county
- 24          located in the community mental health center's primary service area.
- 25          The annual report under this section must include the following:
- 26               (1) Information concerning the operational and community based
- 27               activities undertaken during the year by the community mental
- 28               health center in each county from which the community mental
- 29               health center received funding under this chapter.
- 30               (2) A listing, by the county of patients' residence, of the
- 31               following information:
- 32                    (A) The total number of patients served by the community
- 33                    mental health center.
- 34                    (B) The total number of patients receiving addiction
- 35                    treatment services from the community mental health
- 36                    center.
- 37                    (C) The total number of patients receiving mental health
- 38                    services from the community mental health center.
- 39                    (D) The total number of patients receiving both addiction
- 40                    treatment services and mental health services from the
- 41                    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);

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

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1 under subsection (a), and an explanation of ~~the~~ **any** differences  
2 between the patient count information provided by the  
3 community mental health ~~centers~~ **center** in those reports and the  
4 patient count information included in the ~~division's~~ report under  
5 this subsection.

6 ~~(d) The division of mental health and addiction may provide a~~  
7 ~~report required under subsection (c) to the county fiscal body and the~~  
8 ~~board of county commissioners by publishing the report on the~~  
9 ~~division's website.~~

10 SECTION 21. IC 20-43-4-6.5, AS AMENDED BY P.L.201-2023,  
11 SECTION 203, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6.5. (a)  
13 Subject to subsection (b), for purposes of determining basic tuition  
14 support for a school corporation under IC 20-43-6-3, the department  
15 shall review the daily attendance of each student to determine whether,  
16 of the instructional services that the student receives from a school  
17 corporation, at least fifty percent (50%) is virtual instruction. The  
18 department shall review the daily attendance of a student under this  
19 subsection as follows:

20 (1) Except as provided in section 6.7 of this chapter, for  
21 purposes of the fall count of ADM, the department shall review  
22 the attendance for each student on each school day from the  
23 school corporation's first day of school until the fall count day of  
24 ADM established under section 3 of this chapter.

25 (2) For purposes of the spring count of ADM, the department  
26 shall review the attendance for each student on each school day  
27 from the first day after the date described in subdivision (1) until  
28 the date fixed in February by the state board under section 3 of  
29 this chapter.

30 (b) In reviewing daily attendance under this section, the  
31 department shall take into consideration whether a student transferred  
32 to the school corporation during the dates described in subsection  
33 (a)(1) and (a)(2) that the department reviews daily attendance.

34 **(c) For purposes of determining the amount of virtual**  
35 **instruction a student receives, if the student transferred to a school**  
36 **corporation ten (10) or fewer days before the 2026 spring count**  
37 **day of ADM established under section 3 of this chapter, the**  
38 **department shall consider an additional seven (7) days of**  
39 **instruction after that count date. This subsection expires July 1,**  
40 **2027.**

41 SECTION 22. IC 32-21-14-0.5 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. For purposes of this**  
 2 **chapter, transfer fee covenants are limited to only transactions that**  
 3 **involve the transfer of property for financial benefit to the owner.**

4 SECTION 23. IC 32-21-14-1, AS AMENDED BY P.L.6-2012,  
 5 SECTION 207, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter,  
 7 "transfer" means the transfer of an interest in real property located in  
 8 Indiana by:

- 9 (1) sale;  
 10 ~~(2) gift;~~  
 11 ~~(3) (2) conveyance;~~  
 12 ~~(4) (3) assignment; or~~  
 13 ~~(5) inheritance; or~~  
 14 ~~(6) (4) other means of transfer;~~

15 **for financial benefit to the owner.**

16 SECTION 24. IC 36-4-3-19.1 IS ADDED TO THE INDIANA  
 17 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 18 [EFFECTIVE JULY 1, 2026]: **Sec. 19.1. (a) This section applies only**  
 19 **to a town that:**

- 20 (1) **was incorporated after 1990; and**  
 21 (2) **is located in a county having a population of more than**  
 22 **four hundred thousand (400,000) and less than seven**  
 23 **hundred thousand (700,000).**

24 (b) **The owner or owners of real property meeting the**  
 25 **following requirements may file a petition to disannex the**  
 26 **property:**

- 27 (1) **The property consists of:**  
 28 (A) **at least thirty (30) acres; and**  
 29 (B) **not more than four (4) individual parcels.**  
 30 (2) **The boundary of a portion of the property is contiguous**  
 31 **to the boundary of:**  
 32 (A) **the unincorporated area of the county; or**  
 33 (B) **another municipality.**

34 (c) **The petition to disannex must include the following:**

- 35 (1) **A legal description of the property that is the subject of**  
 36 **the petition.**  
 37 (2) **The signed and notarized signature of the property owner**  
 38 **or owners.**

39 (d) **The owner or owners shall:**

- 40 (1) **record the executed petition to disannex with the county**  
 41 **recorder of the county in which the disannexed territory is**  
 42 **located; and**

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- 1           (2) file a copy of the executed petition with the county
- 2           auditor of the county in which the disannexed territory is
- 3           located.
- 4           (e) The disannexation is complete and effective upon recording
- 5           and filing the petition as provided in subsection (d). The county
- 6           auditor shall list the disannexed property appropriately for
- 7           taxation.
- 8           (f) The county auditor shall forward a list of parcels
- 9           disannexed under this section to the following:
- 10           (1) The town that lost jurisdiction over the disannexed
- 11           territory.
- 12           (2) The county highway department of each county in which
- 13           the parcels affected are located.
- 14           (3) The county surveyor of each county in which the parcels
- 15           affected are located.
- 16           (4) Each plan commission, if any, that lost or gained
- 17           jurisdiction over the disannexed territory.
- 18           (5) The township trustee of each township that lost or gained
- 19           jurisdiction over the disannexed territory.
- 20           (6) The sheriff of each county in which parcels affected are
- 21           located.
- 22           (7) The office of the secretary of state.
- 23           (8) The office of census data established by IC 2-5-1.1-12.2.
- 24           (9) The department of local government finance, not later
- 25           than August 1 following the disannexation, in the manner
- 26           prescribed by the department.
- 27           The county auditor may require the owner to furnish an adequate
- 28           number of copies of the list of disannexed parcels or may charge
- 29           the owner a fee for copies of the list.
- 30           (g) A person may not appeal a disannexation petition that has
- 31           been recorded and filed under this section.
- 32           SECTION 25. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020,
- 33           SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 34           JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax
- 35           incremental amount" means the following:
- 36           (1) Except as provided in subdivision (2), the remainder of:
- 37           (A) the total amount of state adjusted gross income taxes
- 38           and local income taxes paid by employees employed in the
- 39           territory comprising the certified technology park with
- 40           respect to wages and salary earned for work in the territory
- 41           comprising the certified technology park for a particular
- 42           state fiscal year; minus

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1 (B) the sum of the:

2 (i) income tax base period amount as defined in section

3 8 of this chapter; and

4 (ii) tax credits awarded by the Indiana economic

5 development corporation under IC 6-3.1-13 to

6 businesses operating in a certified technology park as

7 the result of wages earned for work in the certified

8 technology park for the state fiscal year;

9 as determined by the department of state revenue.

10 (2) In the case of a certified technology park for which the

11 amount limit under section 22(c), ~~or 22(d)~~, **or 22(e)** of this

12 chapter has been exceeded, the remainder of:

13 (A) the total amount of state adjusted gross income taxes

14 and local income taxes paid by employees employed in the

15 territory comprising the certified technology park with

16 respect to wages and salary earned for work in the territory

17 comprising the certified technology park for a particular

18 state fiscal year; minus

19 (B) the sum of the:

20 (i) income tax base period amount as defined in section

21 8 of this chapter; and

22 (ii) tax credits awarded by the Indiana economic

23 development corporation under IC 6-3.1-13 to

24 businesses operating in a certified technology park as

25 the result of wages earned for work in the certified

26 technology park for the state fiscal year;

27 as determined by the department of state revenue.

28 SECTION 26. IC 36-7-32-22, AS AMENDED BY P.L.145-2025,

29 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

30 JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an

31 incremental tax financing fund for each certified technology park

32 designated under this chapter. The fund shall be administered by the

33 treasurer of state. Money in the fund does not revert to the state general

34 fund at the end of a state fiscal year.

35 (b) Subject to subsection (c), the following amounts shall be

36 deposited during each state fiscal year in the incremental tax financing

37 fund established for a certified technology park under subsection (a):

38 (1) The aggregate amount of state gross retail and use taxes that

39 are remitted under IC 6-2.5 by businesses operating in the

40 certified technology park, until the amount of state gross retail

41 and use taxes deposited equals the gross retail incremental

42 amount for the certified technology park.

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1 (2) Except as provided in subdivision (3), the aggregate amount  
 2 of the following taxes paid by employees employed in the  
 3 certified technology park with respect to wages earned for work  
 4 in the certified technology park, until the amount deposited  
 5 equals the income tax incremental amount as defined in section  
 6 8.5(1) of this chapter:

7 (A) The adjusted gross income tax.

8 (B) The local income tax (IC 6-3.6).

9 (3) In the case of a certified technology park to which subsection  
 10 (e) **or (f)** applies, the amount determined under subsection (e) **or**  
 11 **(f)**, if any **and as applicable**.

12 (c) Except as provided in subsections (d), ~~and (e)~~, **and (f)**, not  
 13 more than a total of five million dollars (\$5,000,000) may be deposited  
 14 in a particular incremental tax financing fund for a certified technology  
 15 park over the life of the certified technology park.

16 (d) Except as provided in ~~subsection (e)~~, **subsections (e) and (f)**,  
 17 in the case of a certified technology park that is operating under a  
 18 written agreement entered into by two (2) or more redevelopment  
 19 commissions, and subject to section 26(b)(4) of this chapter:

20 (1) not more than a total of five million dollars (\$5,000,000) may  
 21 be deposited over the life of the certified technology park in the  
 22 incremental tax financing fund of each redevelopment  
 23 commission participating in the operation of the certified  
 24 technology park; and

25 (2) the total amount that may be deposited in all incremental tax  
 26 financing funds, over the life of the certified technology park, in  
 27 aggregate, may not exceed the result of:

28 (A) five million dollars (\$5,000,000); multiplied by

29 (B) the number of redevelopment commissions that have  
 30 entered into a written agreement for the operation of the  
 31 certified technology park.

32 (e) If a certified technology park has reached the limit on deposits  
 33 under subsection (c) or (d) and maintains its certification under section  
 34 11(c) of this chapter, the certified technology park shall become a  
 35 Level 2 certified technology park and an additional annual deposit  
 36 amount shall be deposited in the incremental tax financing fund for the  
 37 certified technology park equal to the following:

38 (1) For a certified technology park to which subsection (c)  
 39 applies, the lesser of:

40 (A) the income tax incremental amount as defined in  
 41 section 8.5(2) of this chapter; or

42 (B) two hundred fifty thousand dollars (\$250,000).

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- 1 (2) For a certified technology park to which subsection (d)  
 2 applies, the lesser of:  
 3 (A) the aggregate income tax incremental amounts as  
 4 defined in section 8.5(2) of this chapter attributable to each  
 5 redevelopment commission that has entered into a written  
 6 agreement for the operation of the certified technology park;  
 7 or  
 8 (B) two hundred fifty thousand dollars (\$250,000)  
 9 multiplied by the number of redevelopment commissions  
 10 that have entered into a written agreement for the operation  
 11 of the certified technology park.
- 12 (3) The following apply to deposits under this subsection:  
 13 (A) If a certified technology park reached its limit on  
 14 deposits based on a state fiscal year ending before July 1,  
 15 2020, the certified technology park shall receive deposits  
 16 based on the income tax incremental amount as defined in  
 17 section 8.5(2) of this chapter for each state fiscal year  
 18 ending after June 30, 2019.  
 19 (B) If a certified technology park reached its limit on  
 20 deposits based on a state fiscal year ending after June 30,  
 21 2020, the certified technology park shall receive deposits  
 22 based on the income tax incremental amount as defined in  
 23 section 8.5(2) of this chapter for the state fiscal year in  
 24 which it reached its limit on deposits under subsection (c)  
 25 or (d) and each state fiscal year thereafter.  
 26 (C) If a certified technology park is permitted to receive  
 27 deposits under this subsection during the state fiscal year in  
 28 which it reached its limit on deposits under subsection (c)  
 29 or (d), the income tax incremental amount for purposes of  
 30 subdivision (1)(A) or (1)(B) for that state fiscal year shall  
 31 be reduced by an amount equal to:  
 32 (i) the deposit amount for the state fiscal year under  
 33 subsection (b) required to reach the limit on deposits  
 34 under subsection (c) or (d); minus  
 35 (ii) the gross retail incremental amount determined  
 36 under section 6.5 of this chapter;  
 37 but not less than zero (0).
- 38 **(f) This subsection applies to a certified technology park that**  
 39 **is located within a qualified military base enhancement area under**  
 40 **IC 36-7-34. Subject to subsection (g), if a certified technology park**  
 41 **has reached the limit on deposits under subsection (e) and**  
 42 **maintains its certification under section 11(c) of this chapter, the**

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1 certified technology park shall become a Level 3 certified  
 2 technology park and an additional annual deposit amount shall be  
 3 deposited in the incremental tax financing fund for the certified  
 4 technology park equal to the lesser of:

5 (1) the aggregate income tax incremental amounts as defined  
 6 in section 8.5(2) of this chapter attributable to each  
 7 redevelopment commission that has entered into a written  
 8 agreement for the operation of the certified technology park;  
 9 or

10 (2) two hundred fifty thousand dollars (\$250,000) multiplied  
 11 by the number of redevelopment commissions that have  
 12 entered into a written agreement for the operation of the  
 13 certified technology park.

14 However, no amount of state gross retail and use taxes that are  
 15 remitted under IC 6-2.5 for transactions occurring after June 30,  
 16 2029, by businesses operating in the certified technology park and  
 17 no amount of adjusted gross income tax or local income tax paid by  
 18 employees employed in the certified technology park with respect  
 19 to wages and salary earned for work in the certified technology  
 20 park after June 30, 2029, may be deposited in the incremental tax  
 21 financing fund for the certified technology park, regardless of  
 22 whether the maximum annual amount under subdivision (1) or (2)  
 23 has been met.

24 (g) For purposes of calculating the income tax incremental  
 25 amount for the additional annual deposit amount under subsection  
 26 (f), only wages attributable to new employees hired on or after the  
 27 date the certified technology park becomes a Level 3 certified  
 28 technology park shall be included in the calculation. The  
 29 department of state revenue shall determine the incremental  
 30 amount based only on the net payroll increase over the base payroll  
 31 determined at the time of the Level 3 designation.

32 (h) Once a certified technology park meets the requirements  
 33 of designation as a Level 3 certified technology park, the  
 34 department of state revenue shall, not later than ninety (90) days  
 35 after receipt of all information necessary to make the  
 36 determination, issue a written determination establishing:

37 (1) the date on which the certified technology park became  
 38 a Level 3 certified technology park; and

39 (2) the base payroll amount to be used for purposes of  
 40 calculating the income tax incremental amount under section  
 41 8.5 of this chapter.



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1       **The department of state revenue may require the submission of**  
2       **documentation reasonably necessary to make the determination**  
3       **under this subsection.**

4           ~~(f)~~ **(i)** This subsection applies to a Level 2 **or Level 3** certified  
5       technology park designated in subsection (e) **or (f)**. When the office  
6       recertifies a certified technology park as required under section 11 of  
7       this chapter, the office shall make a determination of whether the  
8       certified technology park shall continue to be designated as a Level 2  
9       **or Level 3** certified technology park.

10          ~~(g)~~ **(j)** On or before the twentieth day of each month, all amounts  
11       held in the incremental tax financing fund established for a certified  
12       technology park shall be distributed to the redevelopment commission  
13       for deposit in the certified technology park fund established under  
14       section 23 of this chapter.

15          SECTION 27. [EFFECTIVE UPON PASSAGE] **(a) The**  
16       **legislative council is urged to assign to the interim study committee**  
17       **on courts and the judiciary the task of undertaking a**  
18       **comprehensive study of all court fees and fines, including those**  
19       **under IC 29, IC 31, IC 32, IC 33, IC 34, and IC 35, and preparing**  
20       **a report on the study containing:**

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

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

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

34          SECTION 28. [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]

35       **(a) Notwithstanding any other provision, the budget agency,**  
36       **subject to budget committee review, may use the appropriation to**  
37       **the financial responsibility and opportunity growth fund in**  
38       **P.L.213-2025 (HEA 1001-2025) or augment the financial**  
39       **responsibility and opportunity growth fund for the purpose of**  
40       **providing funding to the Child Care and Development Fund**  
41       **voucher program administered by the family and social services**

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1 administration in addition to the uses for the appropriation as  
 2 authorized in P.L.213-2025 (HEA 1001-2025).  
 3 (b) This SECTION expires July 1, 2027.  
 4 SECTION 29. [EFFECTIVE UPON PASSAGE] (a) As used in  
 5 this SECTION, "division" means the division of family resources  
 6 established by IC 12-13-1-1.  
 7 (b) As used in this SECTION, "EBT card" refers to a magnetic  
 8 stripe card issued by or on behalf of the division for distribution of  
 9 SNAP assistance through an electronic benefits transfer program.  
 10 (c) As used in this SECTION, "SNAP" refers to the federal  
 11 Supplemental Nutrition Assistance Program under 7 U.S.C. 2011  
 12 et seq.  
 13 (d) The office of the secretary of family and social services and  
 14 division shall, when issuing a request for proposals for vendors to  
 15 implement or maintain an electronic benefits transfer program in  
 16 Indiana for SNAP assistance, require that, as part of its services,  
 17 a vendor offer a mobile application that allows the division to  
 18 implement technology solutions to prevent theft of SNAP benefits  
 19 and allow for the following:  
 20 (1) EBT card locking and unlocking.  
 21 (2) Blocking use of an EBT card for out-of-state transactions.  
 22 (3) Blocking use of an EBT card for online transactions.  
 23 (4) Receiving alerts for suspicious transactions using an EBT  
 24 card.  
 25 (e) This SECTION expires July 1, 2029.  
 26 SECTION 30. [EFFECTIVE JULY 1, 2026] (a) IC 4-22-2-22.7,  
 27 as amended by this act, applies to a rulemaking action that  
 28 commences after June 30, 2026.  
 29 (b) This SECTION expires July 1, 2028.  
 30 SECTION 31. An emergency is declared for this act.

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