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SENATE BILL No. 4

Proposed Changes to January 29, 2026 printing by AM000438

DIGEST OF PROPOSED AMENDMENT

Various fiscal matters. Provides that real property owned directly or indirectly by certain Indiana nonprofit hospital systems is not exempt from property taxation under certain circumstances and unmet conditions. Provides that certain transfer fee covenants are limited only to transfers that involve the sale of property and do not include transactions where the property is gifted, donated, or transferred. Specifies the contents of an annual report required for each community mental health center. Provides that personal property owned by certain entities remains subject to minimum valuation limitations. Provides that disannexation of certain property is effective upon filing a disannexation petition with the county auditor and recording the petition with the county recorder. Amends the percentage increase in a public library's proposed budget that determines whether the public library's proposed budget is subject to binding review by the applicable county, city, or town, fiscal body. Allows the Delaware County executive to adopt an ordinance to consolidate the functions of a board, bureau, commission, authority, or any other similar entity (former entity) authorized to administer funds received from the Delaware County: (1) innkeeper's tax; or (2) food and beverage tax; into a single, consolidated entity as designated in the consolidating ordinance. Adds certain organizations to the list of organizations for which conducted sales are exempt from state gross retail and use tax. Allows the city of Bedford to impose a food and beverage tax. Requires the Indiana economic development corporation (IEDC) to commit \$35,000,000 in redevelopment tax credits each state fiscal year among development authorities, qualified nonprofit organizations, and certain local economic development organizations that may be granted to taxpayers for qualified investments. Requires that \$15,000,000 of the \$300,000,000 of the IEDC's annual certifiable tax credit amount must be allocated to the small town opportunity initiative (initiative). Establishes the initiative. Amends the venture capital investment tax credit (tax credit) to specify: (1) that certain investment policies of funds that qualify as a "qualified Indiana investment fund" apply only to investable capital, excluding management fees, legal fees, and other expenses incurred in the operation of the fund; (2) that a taxpayer is not prevented from combining individual tax credits of less than \$10,000 for assignment; and (3) qualified business eligibility. Provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program in Indiana. Requires the office of the secretary of family and social services and division of family resources to require a vendor to offer certain technology solutions to prevent theft of SNAP benefits when issuing a request for proposals. Provides that

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if a Level 2 certified technology park (park); (1) has reached the limit of deposits for a Level 2 park; (2) maintains its certification; and (3) is located within a qualified military base enhancement area; the park shall become a Level 3 park and may receive an additional annual incremental income tax deposit of up to \$250,000 until July 1, 2029. Provides that if a student transferred to a school corporation 10 or fewer days before the 2026 spring count day, the department of education shall consider an additional seven days of instruction after that count date. Provides that if the implementation and compliance costs of a proposed rule are expected to exceed \$500,000 (instead of \$1,000,000) over a two year period, the publisher may not publish the proposed rule until the budget committee has reviewed the rule.

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-1.1-7, AS AMENDED BY P.L.213-2025,
 2 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 7. (a) The council shall maintain a bipartisan
 4 service and administrative agency for the general assembly to assist it
 5 in the performance of its constitutional responsibilities as a separate
 6 and independent legislative branch of state government. The service
 7 and administrative agency shall be known as the "Legislative Services
 8 Agency".
 9 (b) In maintaining the legislative services agency the council shall:
 10 (1) establish the qualifications for and employ such personnel as
 11 are required to carry out the purposes and provisions of this
 12 chapter;
 13 (2) employ an executive director, to be charged with the
 14 administrative responsibility of all offices, departments, or
 15 divisions which the council may from time to time establish, and
 16 to serve as chief executive under the council;
 17 (3) adopt rules and regulations governing personnel practices
 18 and establishing the rights, privileges, powers, and duties of all
 19 employees;
 20 (4) provide for employees to be covered by the public employees'
 21 retirement fund; and
 22 (5) establish a pay scale for all employees including the
 23 executive director.
 24 Rules and regulations adopted by the council under subdivision (3) are
 25 not subject to IC 4-22-2. In those rules and regulations, the council may
 26 limit the political activity of legislative services agency employees.
 27 (c) The executive director is entitled to serve as long as he

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1 properly performs his duties, but he may be removed at any time upon
2 the affirmative vote of twelve (12) members of the council.

3 (d) The executive director may submit to the council such reports
4 and drafts of resolutions, budgets, and appropriation bills as may be
5 required for the efficient operation of the council's activities and
6 programs.

7 (e) The legislative services agency shall perform such bill drafting,
8 research, code revision, fiscal, budgetary, and management analysis,
9 information, administrative, and other services as are requested by the
10 council.

11 (f) The legislative services agency shall perform a fiscal impact
12 analysis for each executive order issued by the governor ~~under~~
13 ~~IC 10-14-3~~ within seven (7) days of the executive order issuance and
14 provide the fiscal note to:

- 15 (1) the legislative council; and
- 16 (2) the budget committee.

17 [SECTION 2. IC 4-22-2-22.7, AS AMENDED BY P.L.93-2024,
18 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2026]: Sec. 22.7. (a) Before complying with section 22.8,
20 37.1, or 37.2 of this chapter, an agency shall conduct a regulatory
21 analysis for the proposed rule that complies with the requirements of
22 this section.

23 (b) The office of management and budget shall set standards for
24 the criteria, analytical method, treatment technology, economic, fiscal,
25 and other background data to be used by an agency in the regulatory
26 analysis. The regulatory analysis must be submitted in a form that can
27 be easily loaded into commonly used business analysis software and
28 published in the Indiana Register using the format jointly developed by
29 the publisher, the office of management and budget, and the budget
30 agency. The office of management and budget may provide more
31 stringent requirements for rules with fiscal impacts and costs above a
32 threshold amount determined by the office of management and budget.

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

- 36 (1) The cost benefit requirements in IC 4-3-22-13.
- 37 (2) Each of the standards in section 19.5 of this chapter.
- 38 (3) If applicable, the requirements for fees, fines, and civil
39 penalties in section 19.6 of this chapter.
- 40 (4) The annual economic impact on small businesses statement
41 required under IC 4-22-2.1-5.
- 42 (5) If applicable, the information required under IC 13-14-9-4.

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1 (6) A determination whether the combined implementation and
 2 compliance costs of a proposed rule are at least ~~one million~~
 3 ~~dollars (\$1,000,000) five hundred thousand dollars (\$500,000)~~
 4 for businesses, units, and individuals over any two (2) year
 5 period.

6 (7) Any requirement under any other law to conduct an analysis
 7 of the cost, benefits, economic impact, or fiscal impact of a rule,
 8 if applicable.

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

11 (1) imposed on a regulated entity under the rule; and

12 (2) not expressly required by:

13 (A) the statute authorizing the agency to adopt the rule; or

14 (B) any other state or federal law.

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

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

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

24 (1) a provisional rule that was issued as the result of the
 25 governor declaring an emergency under IC 10-14-3 and is only
 26 valid during the emergency;

27 (2) a provisional or interim rule that complies only with the
 28 requirements of a:

29 (A) federal law;

30 (B) federal regulation; or

31 (C) federal grant or loan program; or

32 (3) an interim rule that incorporates a new or updated:

33 (A) building;

34 (B) equipment;

35 (C) firefighting;

36 (D) safety; or

37 (E) professional;

38 code.

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

42 1 SECTION ~~↔~~[3]. IC 4-29.5-18-2, AS ADDED BY P.L.171-2021,

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

13 SECTION ~~63~~[4]. IC 5-28-6-9, AS AMENDED BY
14 P.L.213-2025, SECTION 69, IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Subject to
16 subsection (c), the aggregate amount of applicable tax credits that the
17 corporation may certify:

18 (1) for each state fiscal year ending on or before June 30, 2025,
19 for all taxpayers is two hundred fifty million dollars
20 (\$250,000,000); and

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

28 (A) beginning after February 1, 2026, and before May 1,
29 2026, after the first calendar quarter in which the award
30 is made; and

31 (B) after April 30, 2026, at the next budget committee
32 meeting immediately following the date of the tax credit
33 award.

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

37 (1) An applicable tax credit is considered awarded in the state
38 fiscal year in which the taxpayer can first claim the credit,
39 determined without regard to any carryforward period or
40 carryback period.

41 (2) An applicable tax credit awarded by the corporation before
42 July 1, 2022, shall be counted toward the aggregate credit

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

7 (c) Notwithstanding subsection (a), if the corporation determines
8 that:

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

11 (2) certification of the applicable tax credit will result in an
12 aggregate amount of applicable tax credits certified for that state
13 fiscal year that exceeds the maximum amount provided in
14 subsection (a);

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

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

18 SECTION ~~4~~ 5. IC 5-28-44 IS ADDED TO THE INDIANA
19 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
20 [EFFECTIVE UPON PASSAGE]:

21 Chapter 44. Unmanned Aircraft Systems Test Site

22 Sec. 1. In enacting this chapter, it is the intent of the general
23 assembly to advance the state's leadership position in technologies
24 related to unmanned aircraft systems to foster more opportunities
25 for citizens of the state with respect to unmanned aircraft system
26 technology and related industries and to support the federal
27 government in research, development, and testing in support of
28 commerce and national security. The general assembly finds the
29 following:

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

32 (2) The FAA notes that test sites help the United States assess
33 emerging technologies to modernize methods for cargo
34 delivery, Beyond Visual Line of Sight operations, and
35 multiple UAS operations while informing safety and security,
36 ushering in the safe commercialization of UAS technologies
37 and fully integrating UAS into the national airspace system.

38 (3) Indiana's designation as a test site was the result of a
39 competitive process against other states and a joint
40 application between the corporation and the operating
41 partner. The proposal was developed under a contract
42 between the corporation and the operating partner to pursue

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

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

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

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

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

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

- (1) State procurement requirements.
- (2) State contracting requirements.
- (3) State fee setting requirements.

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

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

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

- (1) To procure UAS technology for use by the state.
- (2) To pursue federal funding for activities related to UAS that benefit the state.

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1 (3) To support economic development activities related to
2 UAS research or manufacturing.
3 (d) The operating partner shall keep a full and complete
4 record of funds received and disbursed by the operating partner.
5 The report is subject to audit and must be submitted to the
6 corporation board not later than July 1 of each year, or more often
7 as required by the corporation.
8 Sec. 8. The state examiner, or deputy examiners, field
9 examiners, or private examiners, shall make a full and complete
10 report of the records and receipts of the test site.
11 Sec. 9. The operating partner shall do the following:
12 (1) Respond to requests from local, regional, or state
13 economic development organizations for assistance with
14 economic activities intended to attract companies, or to
15 develop clusters of activity, within the UAS sector.
16 (2) Respond to requests from state agencies for expertise
17 related to the procurement of UAS technology.
18 (3) Respond to requests from state agencies for assistance
19 with the development of new UAS test activities within
20 particular economic sectors.
21 Sec. 10. The operating partner is responsible for carrying out
22 the FAA's requirements and obligations for the safe operation and
23 maintenance of the test site and for managing the day to day
24 operations of the test site under supervision of the corporation.
25 Sec. 11. (a) Notwithstanding any other law, the corporation
26 may enter into an agreement with the operating partner to fulfill
27 the requirements of this chapter and any other applicable
28 requirement from the FAA or another federal agency.
29 (b) The corporation may dedicate resources as determined
30 necessary and appropriate by the corporation to support the
31 implementation and ongoing operation of the test site, including
32 staff support, administrative support, and direct financial support.
33 Sec. 12. Not later than December 1, 2026, and, beginning after
34 December 31, 2026, not later than June 1 and December 1 of each
35 calendar year, the operating partner and the corporation shall
36 submit a written report for review to the budget committee
37 concerning the following:
38 (1) An itemization of each of the expenditures of money from
39 the bank account established under section 7 of this chapter
40 since the last report to the budget committee.
41 (2) Anticipated expenditures for the subsequent six (6)
42 months.

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- (3) Funding sources for expenditures.
- (4) Any other information requested by the budget committee.

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

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

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

- (1) is placed in service after January 1, 2025, and is located in an existing tax increment allocation area for which the base assessed value is determined before January 1, 2025; or
- (2) is owned by a light, heat, or power company, or a utility company owned, operated, or held in trust by a consolidated city;

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

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

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

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

- (1) a building that is exempt under subsection (a) or (b) is situated on it;
- (2) a parking lot or structure that serves a building referred to in subdivision (1) is situated on it; or

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- (3) the tract:
 - (A) is owned by a nonprofit entity established for the purpose of retaining and preserving land and water for their natural characteristics;
 - (B) does not exceed five hundred (500) acres; and
 - (C) is not used by the nonprofit entity to make a profit.

- (d) A tract of land is exempt from property taxation if:
 - (1) it is purchased for the purpose of erecting a building that is to be owned, occupied, and used in such a manner that the building will be exempt under subsection (a) or (b); and
 - (2) not more than four (4) years after the property is purchased, and for each year after the four (4) year period, the owner demonstrates substantial progress and active pursuit towards the erection of the intended building and use of the tract for the exempt purpose. To establish substantial progress and active pursuit under this subdivision, the owner must prove the existence of factors such as the following:

- (A) Organization of and activity by a building committee or other oversight group.
- (B) Completion and filing of building plans with the appropriate local government authority.
- (C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within four (4) years.
- (D) The breaking of ground and the beginning of actual construction.
- (E) Any other factor that would lead a reasonable individual to believe that construction of the building is an active plan and that the building is capable of being completed within eight (8) years considering the circumstances of the owner.

If the owner of the property sells, leases, or otherwise transfers a tract of land that is exempt under this subsection, the owner is liable for the property taxes that were not imposed upon the tract of land during the period beginning January 1 of the fourth year following the purchase of the property and ending on December 31 of the year of the sale, lease, or transfer. The county auditor of the county in which the tract of land is located may establish an installment plan for the repayment of taxes due under this subsection. The plan established by the county auditor may allow the repayment of the taxes over a period of years equal to the number of years for which property taxes must be repaid under this subsection.

- (e) Personal property is exempt from property taxation if it is

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1 owned and used in such a manner that it would be exempt under
 2 subsection (a) or (b) if it were a building.
 3 (f) A hospital's property that is exempt from property taxation
 4 under subsection (a), (b), or (e) shall remain exempt from property
 5 taxation even if the property is used in part to furnish goods or services
 6 to another hospital whose property qualifies for exemption under this
 7 section.
 8 (g) Property owned by a shared hospital services organization that
 9 is exempt from federal income taxation under Section 501(c)(3) or
 10 501(e) of the Internal Revenue Code is exempt from property taxation
 11 if it is owned, occupied, and used exclusively to furnish goods or
 12 services to a hospital whose property is exempt from property taxation
 13 under subsection (a), (b), or (e).
 14 (h) This section does not exempt from property tax an office or a
 15 practice of a physician or group of physicians that is owned by a
 16 hospital licensed under IC 16-21-2 or other property that is not
 17 substantially related to or supportive of the inpatient facility of the
 18 hospital unless the office, practice, or other property:
 19 (1) provides or supports the provision of charity care (as defined
 20 in IC 16-18-2-52.5), including providing funds or other financial
 21 support for health care services for individuals who are indigent
 22 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
 23 (2) provides or supports the provision of community benefits (as
 24 defined in IC 16-21-9-1), including research, education, or
 25 government sponsored indigent health care (as defined in
 26 IC 16-21-9-2).
 27 However, participation in the Medicaid or Medicare program alone
 28 does not entitle an office, practice, or other property described in this
 29 subsection to an exemption under this section.
 30 (i) A tract of land or a tract of land plus all or part of a structure on
 31 the land is exempt from property taxation if:
 32 (1) the tract is acquired for the purpose of erecting, renovating,
 33 or improving a single family residential structure that is to be
 34 given away or sold:
 35 (A) in a charitable manner;
 36 (B) by a nonprofit organization; and
 37 (C) to low income individuals who will:
 38 (i) use the land as a family residence; and
 39 (ii) not have an exemption for the land under this
 40 section;
 41 (2) the tract does not exceed three (3) acres; and
 42 (3) the tract of land or the tract of land plus all or part of a

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

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1 extent required under IC 6-1.1-11-9.

2 (p) This subsection applies to assessment dates occurring before
 3 January 1, 2026. A for-profit provider of early childhood education
 4 services to children who are at least four (4) but less than six (6) years
 5 of age on the annual assessment date may receive the exemption
 6 provided by this section for property used for educational purposes
 7 only if all the requirements of section 46 of this chapter are satisfied.
 8 A for-profit provider of early childhood education services that
 9 provides the services only to children younger than four (4) years of
 10 age may not receive the exemption provided by this section for
 11 property used for educational purposes.

12 (q) This subsection applies to assessment dates occurring after
 13 December 31, 2025. Property used by a for-profit provider of early
 14 childhood education services to children who are less than six (6) years
 15 of age on the annual assessment date may receive the exemption
 16 provided by this section for property used for educational purposes
 17 only if all the requirements of section 46 of this chapter are satisfied.

18 **(r) This subsection applies only to an Indiana nonprofit**
 19 **hospital system (as defined in IC 16-21-18-2). Notwithstanding any**
 20 **other law, real property directly or indirectly owned by the**
 21 **nonprofit hospital system purchased prior to July 1, 2026, is not**
 22 **exempt from property taxation if, after ten (10) years from the date**
 23 **of purchase of the property by the nonprofit hospital system, the**
 24 **property directly or indirectly owned by the nonprofit hospital**
 25 **system is not being used for the performance of revenue producing**
 26 **health care services by the nonprofit hospital system that directly**
 27 **or indirectly owns the property. For purposes of this subsection,**
 28 **"health care services" means the:**

- 29 **(1) assessment;**
 30 **(2) diagnosis;**
 31 **(3) evaluation;**
 32 **(4) consultation;**
 33 **(5) treatment; and**
 34 **(6) monitoring;**

35 **of an entity's patients. The term includes medical education,**
 36 **preventative care, rehabilitative services, long term care, and**
 37 **administrative services that are necessary for the provision of a**
 38 **patient's care.**

39 **(s) This subsection applies only to an Indiana nonprofit**
 40 **hospital system (as defined in IC 16-21-18-2). Real property**
 41 **directly or indirectly owned by the nonprofit hospital system**
 42 **purchased after June 30, 2026, is not exempt from property**

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1 taxation if the property directly or indirectly owned by the
 2 nonprofit hospital system is not being used for the performance of
 3 revenue producing health care services by the nonprofit hospital
 4 system that directly or indirectly owns the property. For purposes
 5 of this subsection, "health care services" has the meaning set forth
 6 in subsection (r).

7 (t) The disallowance of an exemption under subsection (r) does
 8 not apply to a parking garage, parking lot, equipment facility area,
 9 or any other similar property that actively serves a nonprofit
 10 hospital system. A determination under this subsection as to
 11 whether a parking garage, parking lot, equipment facility area, or
 12 any other similar property actively serves a nonprofit hospital
 13 system shall be made by the board of zoning appeals with
 14 jurisdiction over the property.

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

19 (1) registered as a continuing care retirement community under
 20 IC 23-2-4 and charges an entry fee of not more than five hundred
 21 thousand dollars (\$500,000) per unit;

22 (2) defined as a small house health facility under
 23 IC 16-18-2-331.9;

24 (3) licensed as a health care or residential care facility under
 25 IC 16-28; or

26 (4) licensed under IC 31-27 and designated as a qualified
 27 residential treatment provider that provides services under a
 28 contract with the department of child services.

29 This subsection expires January 1, 2027.

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

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

37 (2) has a percentage increase in the proposed budget for the
 38 taxing unit for the ensuing calendar year that is more than the
 39 result equal to or more than fifty percent (50%) of

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

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1 (B) one (1):

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

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

10 (c) If:

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

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

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

20 However, the governing body shall submit its proposed budget and
 21 property tax levy to the county fiscal body in the manner provided in
 22 subsection (d), rather than to the city or town fiscal body, if more than
 23 fifty percent (50%) of the parcels of real property within the
 24 jurisdiction of the public library are located outside the city or town.

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

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

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

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

7 STEP ONE: Determine:

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

10 (B) one (1).

11 STEP TWO: Multiply:

12 (A) the STEP ONE result; by

13 (B) eight-tenths (0.8).

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

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

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

36 STEP ONE: Determine:

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

39 (B) one (1).

40 STEP TWO: Multiply:

41 (A) the STEP ONE result; by

42 (B) eight-tenths (0.8).

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1 STEP THREE: Add one (1) to the STEP TWO result.
 2 However, if the city, town, or county files the information as required
 3 in subsection (e) for the budget year immediately following the budget
 4 year for which the formula under this subsection is applied, when
 5 calculating the maximum ad valorem property tax levy under
 6 IC 6-1.1-18.5-3(a) for the city, town, or county for the subsequent
 7 budget year, the unit's maximum permissible ad valorem property tax
 8 levy must be calculated as if the formula under this subsection had not
 9 been applied for the affected budget year.

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

- 15 (1) The organization:
 16 (A) is described in section 25(a)(1)(A) through 25(a)(1)(C)
 17 of this chapter, section 25(a)(1)(D)(i) through
 18 25(a)(1)(D)(iii) of this chapter, or section 25(a)(1)(D)(ix) of
 19 this chapter;
 20 (B) makes the sale to make money to carry on a
 21 not-for-profit purpose; and
 22 (C) did not make more than one hundred thousand dollars
 23 (\$100,000) in sales in the current calendar year or the
 24 previous calendar year.

- 25 (2) The organization:
 26 (A) is described in section 25(a)(1)(D)(iv) through
 27 25(a)(1)(D)(viii) of this chapter; or
 28 (B) is a youth organization focused on agriculture;
 29 (C) is a youth organization listed in 36 U.S.C. 101 et. seq.
 30 that:
 31 (i) has an educational purpose; and
 32 (ii) promotes patriotism and civic involvement; or
 33 (D) is an organization that:
 34 (i) is exempt from federal income taxation under
 35 Section 501(c)(3) of the Internal Revenue Code; and
 36 (ii) promotes youth shooting sports.

37 Once sales of an organization that meets the qualifications under
 38 subdivision (1), but does not meet the qualifications under subdivision
 39 (2), exceed the amount described in subdivision (1), the organization
 40 is required to collect state gross retail tax on sales on an ongoing basis
 41 for the remainder of the calendar year and each calendar year thereafter
 42 until the organization makes less than one hundred thousand dollars

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1 (\$100,000) in sales for two (2) consecutive years.
 2 (b) For purposes of subsection (a), the sales of an organization
 3 include sales made by all units operating under the organization's
 4 registration pursuant to section 25(c) of this chapter.
 5 (c) If the qualifications of subsection (a) are not met, sales of
 6 tangible personal property by an organization described in section
 7 25(a)(1) of this chapter are exempt from the state gross retail tax, if:
 8 (1) the organization is not operated predominantly for social
 9 purposes;
 10 (2) the property sold is designed and intended primarily either
 11 for the organization's educational, cultural, or religious purposes,
 12 or for improvement of the work skills or professional
 13 qualifications of the organization's members; and
 14 (3) the property sold is not designed or intended primarily for
 15 use in carrying on a private or proprietary business.
 16 (d) Sales of tangible personal property by a public library, or a
 17 charitable organization described in section 25(a)(1) of this chapter
 18 formed to support a public library, are exempt from the state gross
 19 retail tax if the property sold consists of:
 20 (1) items in the library's circulated and publicly available
 21 collections, including items from the library's holdings; or
 22 (2) items that would typically be included in the library's
 23 circulated and publicly available collections and that are donated
 24 by individuals or organizations to a public library or to a
 25 charitable organization described in section 25(a)(1) of this
 26 chapter formed to support a public library.
 27 The exemption provided by this subsection does not apply to any other
 28 sales of tangible personal property by a public library.
 29 (e) The exemption provided by this section does not apply to an
 30 accredited college or university's sales of books, stationery,
 31 haberdashery, supplies, or other property.
 32 (f) To obtain the exemption provided by this section, a taxpayer
 33 must follow the procedures set forth in section 25(c) of this chapter.
 34 SECTION 10. IC 6-3.1-24-7, AS AMENDED BY P.L.172-2011,
 35 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2026]: Sec. 7. (a) The Indiana economic development
 37 corporation shall certify that a business is a qualified Indiana business
 38 if the corporation determines that the business:
 39 (1) has its headquarters in Indiana;
 40 (2) is primarily focused on professional motor vehicle racing,
 41 commercialization of research and development, technology
 42 transfers, or the application of new technology, or is determined

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1 by the Indiana economic development corporation to have
 2 significant potential to:

3 (A) bring substantial capital into Indiana;

4 (B) create jobs;

5 (C) diversify the business base of Indiana; or

6 (D) significantly promote the purposes of this chapter in any
 7 other way;

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

12 (4) has:

13 (A) at least fifty percent (50%) of its employees residing in
 14 Indiana; or

15 (B) at least seventy-five percent (75%) of its assets located
 16 in Indiana; and

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

18 (A) real estate;

19 (B) real estate development;

20 (C) insurance;

21 (D) professional services provided by an accountant, a
 22 lawyer, or a physician;

23 (E) retail sales, except when:

24 (i) the primary purpose of the business is the
 25 development or support of electronic commerce using
 26 the Internet; or

27 (ii) the business is engaged in retail sales as a
 28 method to sell a unique product that the business
 29 developed, for which the business holds patents, or
 30 of which the business otherwise has ownership; or

31 (F) oil and gas exploration.

32 (b) A business shall apply to be certified as a qualified Indiana
 33 business on a form prescribed by the Indiana economic development
 34 corporation.

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

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

42 (e) The Indiana economic development corporation may not

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1 impose the application fee authorized by subsection (d) for applications
2 submitted during the period beginning July 1, 2011, and ending June
3 30, 2013.

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

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

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

17 (2) prioritizes investments in companies that:

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

21 (B) maintain a substantial presence in Indiana.

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

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

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

32 SECTION 12. IC 6-3.1-24-12, AS AMENDED BY P.L.165-2021,
33 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2026]: Sec. 12. (a) If the amount of the credit determined
35 under section 8 or 8.5 of this chapter for a taxpayer in a taxable year
36 exceeds the taxpayer's state tax liability for that taxable year, the
37 taxpayer may carry the excess credit over for a period not to exceed the
38 taxpayer's following five (5) taxable years. The amount of the credit
39 carryover from a taxable year shall be reduced to the extent that the
40 carryover is used by the taxpayer to obtain a credit under this chapter
41 for any subsequent taxable year. A taxpayer is not entitled to a
42 carryback or a refund of any unused credit amount.

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

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

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

10 (2) Before a credit may be assigned, the taxpayer must notify the
11 corporation of the assignment of the credit in the manner
12 prescribed by the corporation.

13 (3) An assignment of a credit must be in writing, and both the
14 taxpayer and assignee shall report the assignment on the
15 taxpayer's and assignee's state tax returns for the year in which
16 the assignment is made, in the manner prescribed by the
17 department.

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

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

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

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

33 **SECTION 13. IC 6-3.1-34-0.5 IS ADDED TO THE INDIANA**
34 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
35 **[EFFECTIVE JULY 1, 2026]: Sec. 0.5. (a) In order to facilitate the**
36 **redevelopment and rehabilitation of property in Indiana that**
37 **promotes regional collaboration and long term strategic planning,**
38 **the corporation shall commit thirty-five million dollars**
39 **(\$35,000,000) in tax credits under this chapter each state fiscal year**
40 **among:**

- 41 **(1) development authorities;**
42 **(2) qualified nonprofit organizations; and**

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- 1 (3) local economic development organizations that:
 2 (A) represent a single unit or multiple units; and
 3 (B) have an economically significant impact, as
 4 determined by the corporation;

5 which may subsequently be awarded by the corporation at the
 6 request of an entity described in subdivisions (1) through (3) to a
 7 taxpayer proposing a qualified investment in a qualified
 8 redevelopment site. The corporation shall consider the regional
 9 significance of a project when awarding the tax credits under this
 10 subsection.

11 (b) Not later than January 1, 2031, the corporation shall
 12 present a report to the budget committee concerning the tax credits
 13 awarded under this section, including the status of the projects for
 14 which tax credits were awarded under this section and the regional
 15 impact of the projects.

16 SECTION 14. IC 6-3.1-34-2.1 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2026]: Sec. 2.1. As used in this chapter,
 19 "development authority" refers to a regional development
 20 authority established under IC 36-7.5-2-1, IC 36-7.6-2-3, or
 21 IC 36-7.7-3-1.

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

- 27 (1) was established and obtained tax exempt status under
 28 Section 501 of the Internal Revenue Code before January 1,
 29 2016, and has since maintained tax exempt status under
 30 Section 501 of the Internal Revenue Code;
 31 (2) was formed to support economic development across the
 32 region; and
 33 (3) does not represent a single interest group or local unit or
 34 units within a single county.

35 SECTION 16. IC 6-3.1-34-24 IS ADDED TO THE INDIANA
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) As used in this section,
 38 "downtown area" means:

- 39 (1) the central business district of a city or town; or
 40 (2) any commercial or mixed use area within a neighborhood
 41 of a city or town that has traditionally served, since the
 42 founding of the community, as the retail service and

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- communal focal point within the community.
- (b) As used in this section, "initiative" means the small town opportunity initiative established by subsection (f).
- (c) As used in this section, "nonprofit taxpayer" means a taxpayer:
 - (1) that is tax exempt under Section 501 of the Internal Revenue Code;
 - (2) for which some or all of its mission is to revitalize the community it serves; and
 - (3) whose leadership includes primarily members of the community it serves.
- (d) As used in this section, "qualified community project" means a project that:
 - (1) is located in the:
 - (A) downtown area of a city or a town with a population of less than thirty thousand (30,000);
 - (B) downtown area of a city or a town that is located in a county with a population of less than seventy-five thousand (75,000); or
 - (C) unincorporated territory of a county with a population of less than seventy-five thousand (75,000) if the site of the project is an area of the unincorporated territory that serves as the retail service and communal focal point within the unincorporated territory;
 - (2) involves the:
 - (A) historic preservation;
 - (B) redevelopment; or
 - (C) rehabilitation;
 - of real property; and
 - (3) has a total project budget of at least fifteen million dollars (\$15,000,000).
- (e) As used in this section, "qualified investment" means the amount of the taxpayer's expenditures that are:
 - (1) for the redevelopment or rehabilitation of real property as part of a qualified community project; and
 - (2) approved by the corporation before the expenditure is made.
- (f) The small town opportunity initiative is established.
- (g) The corporation shall administer the initiative.
- (h) The purpose of the initiative is to undertake qualified community projects within local government units to do the following:

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- 1 (1) Advance historic preservation.
- 2 (2) Redevelop or rehabilitate distressed buildings or
- 3 underutilized property.
- 4 (3) Redevelop or rehabilitate sites where distressed buildings
- 5 once stood.
- 6 (i) A for-profit taxpayer undertaking a qualified community
- 7 project under the initiative is entitled to a redevelopment tax credit
- 8 under this chapter equal to twenty percent (20%) of the taxpayer's
- 9 cost of the project.
- 10 (j) A nonprofit taxpayer undertaking a qualified community
- 11 project under the initiative is entitled to a redevelopment tax credit
- 12 under this chapter equal to thirty percent (30%) of the taxpayer's
- 13 cost of the project.
- 14 (k) Qualified community projects undertaken under this
- 15 section are not subject to any statutory or administrative
- 16 repayment obligation.
- 17 (l) Notwithstanding any other provision of this section, for a
- 18 nonprofit taxpayer undertaking a qualified community project
- 19 under this section, expenditures incurred to acquire, hold, or
- 20 prepare real property for redevelopment or rehabilitation before
- 21 the date the taxpayer's initial application or application for
- 22 certification is approved by the corporation shall be included in the
- 23 taxpayer's qualified investment if:
- 24 (1) the expenditures were incurred for the primary purpose
- 25 of future redevelopment consistent with subsection (h);
- 26 (2) the nonprofit taxpayer obtained site control in
- 27 furtherance of a locally supported redevelopment effort; and
- 28 (3) the corporation determines, as part of the application or
- 29 certification process, that inclusion of such expenditures is in
- 30 the public interest and supportive of early stage community
- 31 redevelopment efforts.
- 32 (m) For purposes of determining whether an expenditure is
- 33 included as part of a qualified investment under subsection (l), an
- 34 expenditure shall be treated as if it were approved by the
- 35 corporation as of the date the expenditure was originally incurred.
- 36 SECTION 17. IC 6-9-30 IS ADDED TO THE INDIANA CODE
- 37 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 38 JULY 1, 2026]:
- 39 Chapter 30. Delaware County Hospitality Tax Board
- 40 Consolidation Ordinance
- 41 Sec. 0.5. This chapter applies only to Delaware County.

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1 Sec. 1. As used in this chapter, "consolidated entity" means a
 2 board resulting from the adoption of an ordinance under section
 3 4 of this chapter to consolidate the functions of each former entity
 4 into the consolidated entity.

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

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

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

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

12 Sec. 4. The county executive may adopt an ordinance to
 13 consolidate the functions of a former entity with respect to the
 14 administration of funds received from the county:

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

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

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

19 Sec. 5. If an ordinance is adopted under section 4 of this
 20 chapter, each former entity is abolished on the date the ordinance
 21 is adopted and may not exercise any of the powers, duties, or
 22 responsibilities conferred on the former entity under IC 6-9-18 or
 23 IC 6-9-21. In addition, the term of any individual serving on each
 24 former entity ends on the date the ordinance is adopted. The
 25 consolidated entity designated in the ordinance shall exercise the
 26 functions of each abolished former entity.

27 Sec. 6. (a) If an ordinance is adopted under section 4 of this
 28 chapter, the county executive may determine the number of
 29 members to serve on the consolidated entity, which must be an odd
 30 number. All members appointed to the consolidated entity must
 31 reside in the county. The county executive shall determine:

32 (1) the qualifications to be appointed to the consolidated
 33 entity, which may not include consideration of political party
 34 affiliation;

35 (2) the term of a member, which may not exceed four (4)
 36 years, but may provide for:

37 (A) the staggering of the terms of members initially
 38 appointed to the consolidated entity;

39 (B) reappointment following the expiration of a
 40 member's term; and

41 (C) the filling of vacancies if a vacancy occurs;

42 (3) the grounds for removal;

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1 (4) the number of members required for a quorum; and
 2 (5) any other matters that the county executive determines
 3 reasonably relate to the composition of the consolidated
 4 entity.

5 A member of the consolidated entity may not receive a salary or
 6 benefits. However, a member of the consolidated entity is entitled
 7 to reimbursement for necessary expenses incurred in the
 8 performance of the member's respective duties.

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

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

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

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

31 Sec. 10. If an ordinance is adopted under section 4 of this
 32 chapter, all records and property of each former entity are
 33 transferred on the date the ordinance is adopted to the
 34 consolidated entity.

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

- 38 (1) The commissioner of the department of state revenue.
- 39 (2) The treasurer of state.
- 40 (3) The state comptroller.

41 Sec. 12. If an ordinance is adopted under section 4 of this
 42 chapter, a reference to a former entity in IC 6-9-18, IC 6-9-21,

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1 another statute, a rule, or any other document is considered a
2 reference to the consolidated entity.

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

6 Chapter 79. Bedford Food and Beverage Tax

7 Sec. 1. This chapter applies to the city of Bedford.

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

10 Sec. 3. (a) The fiscal body of the city may adopt an ordinance
11 to impose an excise tax, known as the city food and beverage tax,
12 on transactions described in section 4 of this chapter. The fiscal
13 body of the city may adopt an ordinance under this subsection only
14 after the fiscal body has previously held at least one (1) separate
15 public hearing in which a discussion of the proposed ordinance to
16 impose the city food and beverage tax is the only substantive issue
17 on the agenda for the public hearing.

18 (b) If the city fiscal body adopts an ordinance under subsection
19 (a), the city fiscal body shall immediately send a certified copy of
20 the ordinance to the department of state revenue.

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

24 (1) The day specified in the ordinance.

25 (2) The last day of the month that succeeds the month in
26 which the ordinance is adopted.

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

30 (1) for consumption at a location or on equipment provided
31 by a retail merchant;

32 (2) in the city; and

33 (3) by a retail merchant for consideration.

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

36 (1) served by a retail merchant off the merchant's premises;

37 (2) sold in a heated state or heated by a retail merchant;

38 (3) made of two (2) or more food ingredients, mixed or
39 combined by a retail merchant for sale as a single item (other

40 than food that is only cut, repackaged, or pasteurized by the
41 seller, and eggs, fish, meat, poultry, and foods containing

42 these raw animal foods requiring cooking by the consumer

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1 as recommended by the federal Food and Drug
 2 Administration in chapter 3, subpart 3-401.11 of its Food
 3 Code so as to prevent food borne illnesses); or
 4 (4) sold with eating utensils provided by a retail merchant,
 5 including plates, knives, forks, spoons, glasses, cups, napkins,
 6 or straws (for purposes of this subdivision, a plate does not
 7 include a container or package used to transport food).

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

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

13 (1) must be imposed in an increment of twenty-five
 14 hundredths percent (0.25%); and

15 (2) may not exceed one percent (1%);

16 of the gross retail income received by the merchant from the food
 17 or beverage transaction described in section 4 of this chapter. For
 18 purposes of this chapter, the gross retail income received by the
 19 retail merchant from a transaction does not include the amount of
 20 tax imposed on the transaction under IC 6-2.5.

21 Sec. 6. A tax imposed under this chapter shall be imposed,
 22 paid, and collected in the same manner that the state gross retail
 23 tax is imposed, paid, and collected under IC 6-2.5. However, the
 24 return to be filed with the payment of the tax imposed under this
 25 chapter may be made on a separate return or may be combined
 26 with the return filed for the payment of the state gross retail tax,
 27 as prescribed by the department of state revenue.

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

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

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

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

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

40 (1) Economic development and tourism related purposes or
 41 facilities, including the purchase of land for economic
 42 development or tourism related purposes.

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1 (2) The pledge of money under IC 5-1-14-4 for bonds, leases,
 2 or other obligations incurred for a purpose described in
 3 subdivision (1).
 4 Revenue derived from the imposition of a tax under this chapter
 5 may be treated by the city as additional revenue for the purpose of
 6 fixing its budget for the budget year during which the revenues are
 7 to be distributed to the city.
 8 Sec. 10. With respect to obligations for which a pledge has
 9 been made under section 9 of this chapter, the general assembly
 10 covenants with the holders of the obligations that this chapter will
 11 not be repealed or amended in a manner that will adversely affect
 12 the imposition or collection of the tax imposed under this chapter
 13 if the payment of any of the obligations is outstanding.
 14 Sec. 11. (a) If the city imposes the tax authorized by this
 15 chapter, the tax terminates on January 1, 2049.
 16 (b) This chapter expires January 1, 2049.
 17 SECTION 19]. IC 12-29-2-2, AS AMENDED BY P.L.159-2020,
 18 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2028]: Sec. 2. (a) A county shall provide funding for the
 20 operation of community mental health centers in the amount
 21 determined under subsection (b) or, in the case of Marion County for
 22 calendar year 2019, calendar year 2020, and calendar year 2021, the
 23 amount determined under subsection (c).
 24 (b) Except as provided in subsection (c), the amount of funding
 25 under subsection (a) for a calendar year is equal to the following:
 26 (1) The county's maximum appropriation amount for the
 27 operation of community mental health centers determined under
 28 this chapter in the previous calendar year, if the STEP THREE
 29 result under the following formula is less than or equal to zero
 30 (0):
 31 STEP ONE: Determine the amount of the certified levy for
 32 funds subject to the civil maximum levy in the immediately
 33 preceding calendar year minus the amount of credits
 34 granted under IC 6-1.1-20.6 that were allocated to funds
 35 subject to the civil maximum levy in the immediately
 36 preceding calendar year, as determined by the department
 37 of local government finance under IC 6-1.1-20.6-11.
 38 STEP TWO: Determine the amount of the certified levy for
 39 funds subject to the civil maximum levy in the year prior to
 40 the immediately preceding calendar year minus the amount
 41 of credits granted under IC 6-1.1-20.6 that were allocated to
 42 funds subject to the civil maximum levy in the year prior to

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

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- 1 (1) For calendar year 2019, the sum of:
- 2 (A) the actual amount of the appropriations by the county
- 3 for community mental health centers under this chapter in
- 4 2018; plus
- 5 (B) the result of thirty-three percent (33%) multiplied by the
- 6 result of:
- 7 (i) the amount that would have, except for the
- 8 application of this subsection, applied to the county
- 9 under subsection (b) for calendar year 2019; minus
- 10 (ii) the actual amount of the appropriations by the
- 11 county for community mental health centers under this
- 12 chapter in 2018.
- 13 (2) For calendar year 2020, the sum of:
- 14 (A) the actual amount of the appropriations by the county
- 15 for community mental health centers under this chapter in
- 16 2019; plus
- 17 (B) the result of sixty-six percent (66%) multiplied by the
- 18 result of:
- 19 (i) the amount that would have, except for the
- 20 application of this subsection, applied to the county
- 21 under subsection (b) for calendar year 2020; minus
- 22 (ii) the actual amount of the appropriations by the
- 23 county for community mental health centers under this
- 24 chapter in 2019.
- 25 (3) For calendar year 2021, the amount that would have, except
- 26 for the application of this subsection, applied to the county under
- 27 subsection (b) for calendar year 2021.
- 28 The department of local government finance shall verify the maximum
- 29 appropriation calculation under this subsection as part of the
- 30 certification of the county's budget under IC 6-1.1-17. This subsection
- 31 expires January 1, 2022.
- 32 **(d) A county may meet the funding requirements under this**
- 33 **section with any funding source in lieu of or in combination with**
- 34 **property taxes but excluding federal funds.**
- 35 ~~(d)~~ **(e)** The funding provided by a county under this section shall
- 36 be used solely for:
- 37 (1) the operations of community mental health centers serving
- 38 the county; or
- 39 (2) contributing to the nonfederal share of medical assistance
- 40 payments to community mental health centers serving the
- 41 county.

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

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

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

17 (1) Information concerning the operational and community based
 18 activities undertaken during the year by the community mental
 19 health center in each county from which the community mental
 20 health center received funding under this chapter.

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

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

25 (B) The total number of patients receiving addiction
 26 treatment services from the community mental health
 27 center.

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

30 (D) The total number of patients receiving both addiction
 31 treatment services and mental health services from the
 32 community mental health center.

33 (3) A copy of the most recent financial audit provided to the
 34 division of mental health and addiction under 440 IAC 4.1-2-5,
 35 including a balance sheet of assets and liabilities, which shall be
 36 prepared by an independent certified public accountant.

37 (4) Demographic information of patients served by the
 38 community mental health center, including the following:

39 (A) The number of adults served and the:

40 (i) five (5) most common addiction substances; and

41 (ii) ten (10) most common primary mental health
 42 diagnoses;

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

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

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

11 (1) Except as provided in section 6.7 of this chapter, for
 12 purposes of the fall count of ADM, the department shall review
 13 the attendance for each student on each school day from the
 14 school corporation's first day of school until the fall count day of
 15 ADM established under section 3 of this chapter.

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

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

25 (c) **For purposes of determining the amount of virtual**
 26 **instruction a student receives, if the student transferred to a school**
 27 **corporation ten (10) or fewer days before the 2026 spring count**
 28 **day of ADM established under section 3 of this chapter, the**
 29 **department shall consider an additional seven (7) days of**
 30 **instruction after that count date. This subsection expires July 1,**
 31 **2027.**

32 SECTION 22. IC 32-21-14-0.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. For purposes of this**
 35 **chapter, transfer fee covenants are limited to only transactions that**
 36 **involve the transfer of property for financial benefit to the owner.**

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

42 (1) sale;

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(2) gift;
(3) (2) conveyance;
(4) (3) assignment; or
(5) inheritance; or
(6) (4) other means of transfer;
for financial benefit to the owner.
SECTION 24. IC 36-4-3-19.1 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: **Sec. 19.1. (a) This section applies only**
to a town that:
(1) was incorporated after 1990; and
(2) is located in a county having a population of more than
four hundred thousand (400,000) and less than seven
hundred thousand (700,000).
(b) The owner or owners of real property meeting the
following requirements may file a petition to disannex the
property:
(1) The property consists of:
(A) at least thirty (30) acres; and
(B) not more than four (4) individual parcels.
(2) The boundary of a portion of the property is contiguous
to the boundary of:
(A) the unincorporated area of the county; or
(B) another municipality.
(c) The petition to disannex must include the following:
(1) A legal description of the property that is the subject of
the petition.
(2) The signed and notarized signature of the property owner
or owners.
(d) The owner or owners shall:
(1) record the executed petition to disannex with the county
recorder of the county in which the disannexed territory is
located; and
(2) file a copy of the executed petition with the county
auditor of the county in which the disannexed territory is
located.
(e) The disannexation is complete and effective upon recording
and filing the petition as provided in subsection (d). The county
auditor shall list the disannexed property appropriately for
taxation.
(f) The county auditor shall forward a list of parcels
disannexed under this section to the following:

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- 1 (1) The town that lost jurisdiction over the disannexed
- 2 territory.
- 3 (2) The county highway department of each county in which
- 4 the parcels affected are located.
- 5 (3) The county surveyor of each county in which the parcels
- 6 affected are located.
- 7 (4) Each plan commission, if any, that lost or gained
- 8 jurisdiction over the disannexed territory.
- 9 (5) The township trustee of each township that lost or gained
- 10 jurisdiction over the disannexed territory.
- 11 (6) The sheriff of each county in which parcels affected are
- 12 located.
- 13 (7) The office of the secretary of state.
- 14 (8) The office of census data established by IC 2-5-1.1-12.2.
- 15 (9) The department of local government finance, not later
- 16 than August 1 following the disannexation, in the manner
- 17 prescribed by the department.

18 The county auditor may require the owner to furnish an adequate
 19 number of copies of the list of disannexed parcels or may charge
 20 the owner a fee for copies of the list.

21 (g) A person may not appeal a disannexation petition that has
 22 been recorded and filed under this section.

23 SECTION 25. IC 36-7-32-8.5, AS AMENDED BY P.L.154-2020,
 24 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2026]: Sec. 8.5. As used in this chapter, "income tax
 26 incremental amount" means the following:

- 27 (1) Except as provided in subdivision (2), the remainder of:
- 28 (A) the total amount of state adjusted gross income taxes
- 29 and local income taxes paid by employees employed in the
- 30 territory comprising the certified technology park with
- 31 respect to wages and salary earned for work in the territory
- 32 comprising the certified technology park for a particular
- 33 state fiscal year; minus
- 34 (B) the sum of the:
- 35 (i) income tax base period amount as defined in section
- 36 8 of this chapter; and
- 37 (ii) tax credits awarded by the Indiana economic
- 38 development corporation under IC 6-3.1-13 to
- 39 businesses operating in a certified technology park as
- 40 the result of wages earned for work in the certified
- 41 technology park for the state fiscal year;
- 42 as determined by the department of state revenue.

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(2) In the case of a certified technology park for which the amount limit under section 22(c), ~~or 22(d)~~, or 22(e) of this chapter has been exceeded, the remainder of:

(A) the total amount of state adjusted gross income taxes and local income taxes paid by employees employed in the territory comprising the certified technology park with respect to wages and salary earned for work in the territory comprising the certified technology park for a particular state fiscal year; minus

(B) the sum of the:

(i) income tax base period amount as defined in section 8 of this chapter; and

(ii) tax credits awarded by the Indiana economic development corporation under IC 6-3.1-13 to businesses operating in a certified technology park as the result of wages earned for work in the certified technology park for the state fiscal year;

as determined by the department of state revenue.

SECTION 26. IC 36-7-32-22, AS AMENDED BY P.L.145-2025, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22. (a) The treasurer of state shall establish an incremental tax financing fund for each certified technology park designated under this chapter. The fund shall be administered by the treasurer of state. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), the following amounts shall be deposited during each state fiscal year in the incremental tax financing fund established for a certified technology park under subsection (a):

(1) The aggregate amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the certified technology park, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the certified technology park.

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

(A) The adjusted gross income tax.

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

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1 (3) In the case of a certified technology park to which subsection
2 (e) or (f) applies, the amount determined under subsection (e) or
3 (f), if any and as applicable.
4 (c) Except as provided in subsections (d), ~~and (e), and (f),~~ not
5 more than a total of five million dollars (\$5,000,000) may be deposited
6 in a particular incremental tax financing fund for a certified technology
7 park over the life of the certified technology park.
8 (d) Except as provided in ~~subsection (c),~~ subsections (e) and (f),
9 in the case of a certified technology park that is operating under a
10 written agreement entered into by two (2) or more redevelopment
11 commissions, and subject to section 26(b)(4) of this chapter:
12 (1) not more than a total of five million dollars (\$5,000,000) may
13 be deposited over the life of the certified technology park in the
14 incremental tax financing fund of each redevelopment
15 commission participating in the operation of the certified
16 technology park; and
17 (2) the total amount that may be deposited in all incremental tax
18 financing funds, over the life of the certified technology park, in
19 aggregate, may not exceed the result of:
20 (A) five million dollars (\$5,000,000); multiplied by
21 (B) the number of redevelopment commissions that have
22 entered into a written agreement for the operation of the
23 certified technology park.
24 (e) If a certified technology park has reached the limit on deposits
25 under subsection (c) or (d) and maintains its certification under section
26 11(c) of this chapter, the certified technology park shall become a
27 Level 2 certified technology park and an additional annual deposit
28 amount shall be deposited in the incremental tax financing fund for the
29 certified technology park equal to the following:
30 (1) For a certified technology park to which subsection (c)
31 applies, the lesser of:
32 (A) the income tax incremental amount as defined in
33 section 8.5(2) of this chapter; or
34 (B) two hundred fifty thousand dollars (\$250,000).
35 (2) For a certified technology park to which subsection (d)
36 applies, the lesser of:
37 (A) the aggregate income tax incremental amounts as
38 defined in section 8.5(2) of this chapter attributable to each
39 redevelopment commission that has entered into a written
40 agreement for the operation of the certified technology park;
41 or

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

(3) The following apply to deposits under this subsection:

(A) If a certified technology park reached its limit on deposits based on a state fiscal year ending before July 1, 2020, the certified technology park shall receive deposits based on the income tax incremental amount as defined in section 8.5(2) of this chapter for each state fiscal year ending after June 30, 2019.

(B) If a certified technology park reached its limit on deposits based on a state fiscal year ending after June 30, 2020, the certified technology park shall receive deposits based on the income tax incremental amount as defined in section 8.5(2) of this chapter for the state fiscal year in which it reached its limit on deposits under subsection (c) or (d) and each state fiscal year thereafter.

(C) If a certified technology park is permitted to receive deposits under this subsection during the state fiscal year in which it reached its limit on deposits under subsection (c) or (d), the income tax incremental amount for purposes of subdivision (1)(A) or (1)(B) for that state fiscal year shall be reduced by an amount equal to:

(i) the deposit amount for the state fiscal year under subsection (b) required to reach the limit on deposits under subsection (c) or (d); minus

(ii) the gross retail incremental amount determined under section 6.5 of this chapter;

but not less than zero (0).

(f) This subsection applies to a certified technology park that is located within a qualified military base enhancement area under IC 36-7-34. Subject to subsection (g), if a certified technology park has reached the limit on deposits under subsection (e) and maintains its certification under section 11(c) of this chapter, the certified technology park shall become a Level 3 certified technology park and an additional annual deposit amount shall be deposited in the incremental tax financing fund for the certified technology park equal to the lesser of:

(1) the aggregate income tax incremental amounts as defined in section 8.5(2) of this chapter attributable to each redevelopment commission that has entered into a written

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1 agreement for the operation of the certified technology park;
 2 or
 3 (2) two hundred fifty thousand dollars (\$250,000) multiplied
 4 by the number of redevelopment commissions that have
 5 entered into a written agreement for the operation of the
 6 certified technology park.

7 However, no amount of state gross retail and use taxes that are
 8 remitted under IC 6-2.5 for transactions occurring after June 30,
 9 2029, by businesses operating in the certified technology park and
 10 no amount of adjusted gross income tax or local income tax paid by
 11 employees employed in the certified technology park with respect
 12 to wages and salary earned for work in the certified technology
 13 park after June 30, 2029, may be deposited in the incremental tax
 14 financing fund for the certified technology park, regardless of
 15 whether the maximum annual amount under subdivision (1) or (2)
 16 has been met.

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

25 (h) Once a certified technology park meets the requirements
 26 of designation as a Level 3 certified technology park, the
 27 department of state revenue shall, not later than ninety (90) days
 28 after receipt of all information necessary to make the
 29 determination, issue a written determination establishing:

- 30 (1) the date on which the certified technology park became
- 31 a Level 3 certified technology park; and
- 32 (2) the base payroll amount to be used for purposes of
- 33 calculating the income tax incremental amount under section
- 34 8.5 of this chapter.

35 The department of state revenue may require the submission of
 36 documentation reasonably necessary to make the determination
 37 under this subsection.

38 (f) (i) This subsection applies to a Level 2 or Level 3 certified
 39 technology park designated in subsection (e) or (f). When the office
 40 recertifies a certified technology park as required under section 11 of
 41 this chapter, the office shall make a determination of whether the

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certified technology park shall continue to be designated as a Level 2 or Level 3 certified technology park.

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

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

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

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

(c) This SECTION expires July 1, 2027.

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

(b) This SECTION expires July 1, 2027.

[SECTION 29. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "division" means the division of family resources established by IC 12-13-1-1.

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(b) As used in this SECTION, "EBT card" refers to a magnetic stripe card issued by or on behalf of the division for distribution of SNAP assistance through an electronic benefits transfer program.

(c) As used in this SECTION, "SNAP" refers to the federal Supplemental Nutrition Assistance Program under 7 U.S.C. 2011 et seq.

(d) The office of the secretary of family and social services and division shall, when issuing a request for proposals for vendors to implement or maintain an electronic benefits transfer program in Indiana for SNAP assistance, require that, as part of its services, a vendor offer a mobile application that allows the division to implement technology solutions to prevent theft of SNAP benefits and allow for the following:

- (1) EBT card locking and unlocking.
- (2) Blocking use of an EBT card for out-of-state transactions.
- (3) Blocking use of an EBT card for online transactions.
- (4) Receiving alerts for suspicious transactions using an EBT card.

(e) This SECTION expires July 1, 2029. SECTION 30. [EFFECTIVE JULY 1, 2026] (a) IC 4-22-2-22.7, as amended by this act, applies to a rulemaking action that commences after June 30, 2026.

(b) This SECTION expires July 1, 2028.

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

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