

SENATE BILL No. 83

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-10-54; IC 6-2.5; IC 8-1-2; IC 8-1.5.

Synopsis: Various utility matters. Provides that a transaction involving the sale of utility service, as reflected in the total amount billed by a utility in a customer bill that is issued after December 31, 2026, is exempt from the state gross retail tax. Provides that this exemption applies to: (1) the sale of electric, natural gas, water, or wastewater service; and (2) a customer bill issued by a utility after December 31, 2026, regardless of whether the bill includes any fees or charges for utility service provided to the customer before January 1, 2027. Repeals the sales and use tax exemption for certain data centers enacted in the 2025 session in HEA 1601. Provides that after March 14, 2026, the Indiana utility regulatory commission (IURC) may not issue a final order in a base rate case filed by an electricity supplier if the final order, once fully implemented, would result in an average increase of 3% or greater in the total monthly bill of a residential customer of the electricity supplier. Specifies that a municipality includes a consolidated city for purposes of the existing statute authorizing a municipality to purchase, condemn, and operate a utility in the municipality for the purpose of providing utility service to the municipality or the public: (1) without the consent of the IURC; and (2) even if a public utility is engaged in a similar service in the municipality. Provides that the existing statute prohibiting a municipality, public utility, or rural electric membership corporation from bringing an action against a public utility for the condemnation of the public utility's electric utility property does not apply to a
(Continued next page)

Effective: Upon passage.

Qaddoura

December 8, 2025, read first time and referred to Committee on Utilities.



municipality that seeks to purchase the electric utility property of a public utility for use of the property in providing electric utility service if: (1) the municipality and the public utility are unable to agree upon a price to be paid for the electric utility property; and (2) the municipality by ordinance declares that a public necessity exists for the condemnation of the electric utility property. Provides that a municipality that adopts such an ordinance may: (1) bring an action in the circuit or superior court of the county where the municipality is located against the public utility for the condemnation of the electric utility property; and (2) exercise the power of eminent domain in accordance with the existing eminent domain statute. Prohibits the IURC from issuing before July 1, 2028, a final order in a base rate case filed by an electricity supplier with the IURC, regardless of the date of filing of the electricity supplier's base rate case with the IURC. Provides that this provision expires July 1, 2028. Provides that existing law providing that the rates and charges of a municipally owned utility may include a reasonable return on the utility plant of the municipality if the legislative body of the municipality so elects does not apply to rates and charges established or amended by a municipal legislative body after March 14, 2026.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

SENATE BILL No. 83

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

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

- 1 SECTION 1. IC 6-1.1-10-54, AS AMENDED BY THE
2 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 54. (a) As used in this section, "designating
5 body" means the fiscal body of:
6 (1) a county that does not contain a consolidated city; or
7 (2) a municipality.
8 (b) As used in this section, "eligible business" means an entity that
9 meets the following requirements:
10 (1) The entity is engaged in a business that:
11 (A) operates; or
12 (B) leases qualified property for use in;
13 one (1) or more facilities.
14 (2) The entity's qualified property is located at a facility in
15 Indiana.
16 (3) The entity, the lessor of qualified property (if the entity is a
17 lessee), and all lessees of qualified property invest in the



1 aggregate at least one hundred million dollars (\$100,000,000) in
 2 real and personal property at one (1) or more facilities in Indiana
 3 after January 1, 2026.

4 (4) The average wage of employees who are located in the county
 5 or municipality and engaged in the operation of the facility is at
 6 least one hundred twenty-five percent (125%) of the county
 7 average wage for the county in which the facility operates.

8 (c) As used in this section, "facility" has the meaning set forth in
 9 IC 6-2.5-15-5.

10 (d) As used in this section, "fiscal body" has the meaning set forth
 11 in IC 36-1-2-6.

12 (e) As used in this section, "municipality" has the meaning set forth
 13 in IC 36-1-2-11.

14 (f) As used in this section, "qualified property" means quantum safe
 15 fiber network equipment purchased after January 1, 2026, and any
 16 additions to or replacements ~~to~~ of such property.

17 (g) As used in this section, "quantum safe fiber network equipment"
 18 ~~has the meaning set forth in IC 6-2.5-15-13.3.~~ **means optical gear,**
 19 **transmission equipment, fiber, computer equipment, software, or**
 20 **any other equipment or software of any type purchased or leased**
 21 **for the processing, storage, retrieval, communication, or**
 22 **transmission of data over a quantum safe fiber network that is**
 23 **preapproved by the Indiana economic development corporation,**
 24 **adheres to all compliance standards of the federal Trade**
 25 **Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as**
 26 **amended) throughout the entire network, including all access**
 27 **physical intermediate access points (nodes), has a manufacturing**
 28 **origin point in North America, uses only coherent optics with FIPS**
 29 **140-3 certified encryption technology, and supports quantum safe**
 30 **algorithms that are compliant with National Institute of Standards**
 31 **and Technology of the United States Department of Commerce**
 32 **requirements, including post-quantum cryptography and other**
 33 **post quantum resistant cryptography implementations. The term**
 34 **includes the following:**

35 (1) **Installed quantum-safe optical gear and federal Trade**
 36 **Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as**
 37 **amended) compliant American-made fiber optic cable.**

38 (2) **Servers, routers, connections, monitoring and security**
 39 **systems, and other enabling machinery, equipment, and**
 40 **hardware, regardless of whether the property is affixed to or**
 41 **incorporated into real property.**

42 (3) **Equipment used in the operation of computer equipment**



1 or software or for the benefit of a quantum computing
2 research, advanced computing, and defense infrastructure
3 network, including component parts, installations,
4 refreshments, replacements, and upgrades, regardless of
5 whether the property is affixed to or incorporated into real
6 property.

7 (4) All equipment necessary for the transformation,
8 generation, distribution, or management of electricity that is
9 required to operate advanced computer or quantum
10 computer server equipment, including substations,
11 generators, uninterruptible energy equipment, supplies,
12 conduit, fuel piping and storage, cabling, duct banks, switches,
13 switchboards, batteries, testing equipment, and backup
14 generators.

15 (5) All equipment necessary to cool and maintain a controlled
16 environment for the operation of the computer servers and
17 other components of a quantum fiber network, including
18 chillers, mechanical equipment, refrigerant piping, fuel piping
19 and storage, adiabatic and free cooling systems, cooling
20 towers, water softeners, air handling units, indoor direct
21 exchange units, fans, ducting, and filters.

22 (6) All water conservation systems, including facilities or
23 mechanisms that are designed to collect, conserve, and reuse
24 water required for the infrastructure of a quantum fiber
25 network.

26 (7) All computer server equipment, chassis, networking
27 equipment, switches, racks, fiber optic and copper cabling,
28 trays, and conduit required for a quantum fiber network.

29 (8) All conduit, ducting, and fiber optic and copper cabling
30 required for a quantum fiber network.

31 (9) All monitoring equipment and security systems.

32 (10) All software required for the operation, development,
33 and maintenance of a quantum fiber network.

34 (11) All intangible rights to use conduit or existing fibers
35 directly related to a quantum fiber network.

36 (12) All tangible and intangible personal property that is
37 required for operation of each intermediate access point
38 (node) connected to a quantum fiber network, excluding
39 property used in the administration of the facility.

40 (13) Other tangible and intangible personal property that is
41 essential to the operations of a quantum fiber network,
42 excluding property used in the administration of the facility.



(14) All electricity used by qualified quantum fiber network equipment, excluding electricity used in the administration of the facility.

(h) A designating body may enter into an agreement with an eligible business to grant the eligible business a property tax exemption. In the case of a county, the exemption applies only to qualified property that is located in unincorporated territory of the county. In the case of a municipality, the exemption applies only to qualified property that is located in the municipality. The property tax exemption applies to the qualified property only if the designating body and the eligible business enter into an agreement concerning the property tax exemption. The agreement must specify the duration of the property tax exemption. The agreement may specify that if the ownership of qualified property is transferred by an eligible business, the transferee is entitled to the property tax exemption on the same terms as the transferor. If a designating body enters into an agreement with an eligible business, the qualified property owned by the eligible business is exempt from property taxation as provided in the resolution and the agreement.

(i) If a designating body enters into an agreement under subsection (h) to provide a property tax exemption, the property tax exemption continues for the period specified in the agreement.

SECTION 2. IC 6-2.5-5-59.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 59.1. (a) This section applies to a transaction involving the sale of utility service by a utility regardless of whether the utility is under the jurisdiction of the Indiana utility regulatory commission for the approval of rates and charges.**

(b) As used in this section, "customer" refers to a customer of any class, including:

- (1) a residential customer;**
- (2) a commercial customer; or**
- (3) an industrial customer;**

that has agreed to pay for utility service provided by a utility.

(c) As used in this section, "utility" means a person, however organized, that provides utility service to a customer.

(d) As used in this section, "utility service" means:

- (1) electric;**
- (2) natural gas;**
- (3) water; or**
- (4) wastewater;**

service that is provided at retail to a customer in Indiana.



(e) A transaction involving the sale of utility service, as reflected in the total amount billed by a utility in a customer bill that is issued after December 31, 2026, is exempt from the state gross retail tax. For purposes of this subsection, the total amount billed by a utility in a customer bill includes any:

- (1) fixed charges;
- (2) consumption based charges;
- (3) charges in connection with a periodic rate adjustment mechanism;
- (4) taxes other than the state gross retail tax;
- (5) program charges;
- (6) account management or billing fees; and
- (7) other applicable charges or fees;

that make up the total amount owed for the billing cycle, regardless of whether the particular charge or fee appears as a separate line item, or is otherwise identified, on the customer bill.

(f) The exemption provided by subsection (e) applies to a customer bill issued by a utility after December 31, 2026, regardless of whether the bill includes any fees or charges for utility service provided to the customer before January 1, 2027.

SECTION 3. IC 6-2.5-15-0.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 0.5: As used in this chapter, "advanced computing" means a computational method or technology, including hardware, software, and quantum safe fiber network equipment, that is designed, engineered, and installed to solve large, complex problems or process large data sets, including quantum computing, artificial intelligence, edge computing, and computational sets that use entanglement nodes that are beyond the capability of classical digital computational computing.

SECTION 4. IC 6-2.5-15-3, AS AMENDED BY P.L.213-2025, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "eligible costs" means expenditures made

(+) after December 31, 2018, for the development, acquisition, construction, and operation of a facility to be used as a qualified data center, including costs of land, buildings, site improvements, modular data centers, computer data center equipment acquisition and permitting, lease payments, site characterization and assessment, engineering, and design used directly and exclusively in a qualified data center. or

(2) after January 1, 2026, for the development, acquisition, construction, and operation of a facility to be used as part of a



quantum computing research; advanced computing; and defense infrastructure network that is connected by quantum safe fiber network equipment and used for quantum research or advanced computing at; or related to; a qualified military installation in Indiana or the I-Light network; including costs of all quantum safe fiber network equipment; rights-of-way; conduit; other required access; land; buildings; site improvements; modular data centers; computer data center equipment acquisition and permitting; lease payments; site characterization and assessment; engineering; and design used directly and exclusively as part of a quantum computing research; advanced computing; and defense infrastructure network.

SECTION 5. IC 6-2.5-15-5, AS AMENDED BY P.L.178-2025, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter, "facility" means one (1) or more tracts of land in Indiana and

(1) a structure or building contained on the land used specifically for:

(A) quantum research or commercialization;

(B) quantum safe fiber network equipment;

(C) advanced computing;

(D) quantum research or advanced computing for the defense industry;

(E) the qualified equipment that is placed in the structure or building; or

(F) one (1) or more quantum safe fiber networks;

including any structures and personal property contained on the land that is required to operate a quantum safe fiber network; and

(2) any structures and personal property contained on the land for the operation of a data center

in either a single location or multiple distributed locations.

SECTION 6. IC 6-2.5-15-5.7 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 5.7. As used in this chapter, "I-Light" has the meaning set forth in IC 8-1-32.7-3.

SECTION 7. IC 6-2.5-15-6.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 6.5. As used in this chapter, "interest in a quantum computing research; advanced computing; and defense infrastructure network" means an entity that is the owner of; the operator of; or a qualified colocation tenant in; any element of a quantum safe fiber network or a quantum computing; advanced computing; and defense infrastructure network.

(b) The term includes an interest in a portion of a quantum



1 ~~computing research, advanced computing, and defense infrastructure~~
 2 ~~network.~~

3 SECTION 8. IC 6-2.5-15-7, AS AMENDED BY P.L.178-2025,
 4 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 7. As used in this chapter, "operator" means
 6 an entity, other than an owner or a qualified colocation tenant,
 7 operating a data center ~~or a quantum computing research, advanced~~
 8 ~~computing, and defense infrastructure network~~ pursuant to a lease or
 9 other contract with the owner or a lessor. The term includes a licensed
 10 property management company, a property lessor, or any other
 11 individual or entity responsible for the control, oversight, or
 12 maintenance of a facility. The term also includes an affiliate of an
 13 operator.

14 SECTION 9. IC 6-2.5-15-9, AS AMENDED BY P.L.178-2025,
 15 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 UPON PASSAGE]: Sec. 9. As used in this chapter, "qualified
 17 colocation tenant" means an entity that contracts with the owner or
 18 operator of a

19 (1) ~~qualified data center or~~

20 (2) ~~quantum computing, advanced computing, and defense~~
 21 ~~infrastructure network;~~

22 that is certified under this chapter to use or occupy all or part of the
 23 data center ~~or quantum computing, advanced computing, and defense~~
 24 ~~infrastructure network~~ for a period of two (2) or more years.

25 SECTION 10. IC 6-2.5-15-11, AS AMENDED BY P.L.178-2025,
 26 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 11. As used in this chapter, "qualified
 28 equipment" means data center equipment ~~or quantum computing~~
 29 ~~research, advanced computing, and defense infrastructure network~~
 30 ~~equipment in located at~~ a qualified data center. ~~or a quantum~~
 31 ~~computing research, advanced computing, and defense infrastructure~~
 32 ~~network.~~

33 SECTION 11. IC 6-2.5-15-13, AS AMENDED BY P.L.178-2025,
 34 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 UPON PASSAGE]: Sec. 13. As used in this chapter, "qualified
 36 investment" means, with respect to a

37 (1) ~~qualified data center, the aggregate nonduplicative eligible~~
 38 ~~data center~~ costs expended by any entity with an interest in the
 39 qualified data center. ~~or~~

40 (2) ~~quantum computing research, advanced computing, and~~
 41 ~~defense infrastructure network, the aggregate nonduplicative~~
 42 ~~eligible costs expended by any entity with an interest in the~~



quantum computing research; advanced computing; and defense infrastructure network.

SECTION 12. IC 6-2.5-15-13.2 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 13.2: As used in this chapter, "quantum safe fiber network" means a fiber network that includes each of the following attributes:

(1) A deployed fiber infrastructure comprised of:

(A) standard single mode optical fibers (G.652.D) that are compliant with the federal Trade Agreements Act of 1979 (Public Law 96-39; 93 Stat. 144; as amended);

(B) flexgrid reconfigurable photonic layer; and

(C) only coherent optical transponders with FIPS 140-3 certified L1 encryption (OTNsec) with support for external key from quantum key distribution servers that are compliant with the federal Trade Agreements Act of 1979 (Public Law 96-39; 93 Stat. 144; as amended);

on electronics and glass.

(2) A fiber infrastructure that is connected to:

(A) a military installation of the United States of America;

(B) the Indiana National Guard;

(C) another military outlet or I-Light; or

(D) an institution of higher learning conducting quantum computing research or advanced computing research.

(3) A network engineered with physical intermediate access points (nodes) not more than sixty (60) miles apart.

(4) A network with physical intermediate access points (nodes) equipped with physical access control and remote monitoring.

(5) A network with quantum key distribution (QKD) servers deployed on every fiber span.

(6) A network that is not used for residential broadband and limited in use to less fifteen percent (15%) for commercial broadband (ISP) applications.

(7) A network that complies with the federal Trade Agreements Act of 1979 (Public Law 96-39; 93 Stat. 144) as amended.

SECTION 13. IC 6-2.5-15-13.3 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 13.3: (a) As used in this chapter, "quantum safe fiber network equipment" means optical gear; transmission equipment; fiber; computer equipment; software; or any other equipment or software of any type purchased or leased for the processing; storage; retrieval; communication; or transmission of data over a quantum safe fiber network that:

(1) is preapproved by the corporation;



(2) adheres to all compliance standards of the federal Trade Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as amended) throughout the entire network; including all access physical intermediate access points (nodes);

(3) has a manufacturing origin point in North America;

(4) uses only coherent optics with FIPS 140-3 certified encryption technology; and

(5) supports quantum safe algorithms that are compliant with National Institute of Standards and Technology of the United States Department of Commerce requirements; including post-quantum cryptography and other post quantum resistant cryptography implementations.

(b) The term includes the following:

(1) Installed quantum-safe optical gear and federal Trade Agreements Act of 1979 (Public Law 96-39, 93 Stat. 144, as amended) compliant American-made fiber optic cable.

(2) Servers; routers; connections; monitoring and security systems; and other enabling machinery; equipment; and hardware; regardless of whether the property is affixed to or incorporated into real property.

(3) Equipment used in the operation of computer equipment or software or for the benefit of a quantum computing research; advanced computing; and defense infrastructure network; including component parts; installations; refreshments; replacements; and upgrades; regardless of whether the property is affixed to or incorporated into real property.

(4) All equipment necessary for the transformation; generation; distribution; or management of electricity that is required to operate advanced computer or quantum computer server equipment; including substations; generators; uninterruptible energy equipment; supplies; conduit; fuel piping and storage; cabling; duct banks; switches; switchboards; batteries; testing equipment; and backup generators.

(5) All equipment necessary to cool and maintain a controlled environment for the operation of the computer servers and other components of a quantum fiber network; including chillers; mechanical equipment; refrigerant piping; fuel piping and storage; adiabatic and free cooling systems; cooling towers; water softeners; air handling units; indoor direct exchange units; fans; ducting; and filters.

(6) All water conservation systems; including facilities or mechanisms that are designed to collect; conserve; and reuse



1 water required for the infrastructure of a quantum fiber network.

2 (7) All computer server equipment, chassis, networking
3 equipment, switches, racks, fiber optic and copper cabling, trays,
4 and conduit required for a quantum fiber network.

5 (8) All conduit, ducting, and fiber optic and copper cabling
6 required for a quantum fiber network.

7 (9) All monitoring equipment and security systems.

8 (10) All software required for the operation, development, and
9 maintenance of a quantum fiber network.

10 (11) All intangible rights to use conduit or existing fibers directly
11 related to a quantum fiber network.

12 (12) All tangible and intangible personal property that is required
13 for operation of each intermediate access point (node) connected
14 to a quantum fiber network, excluding property used in the
15 administration of the facility.

16 (13) Other tangible and intangible personal property that is
17 essential to the operations of a quantum fiber network, excluding
18 property used in the administration of the facility.

19 (14) All electricity used by qualified quantum fiber network
20 equipment, excluding electricity used in the administration of the
21 facility.

22 SECTION 14. IC 6-2.5-15-13.4 IS REPEALED [EFFECTIVE
23 UPON PASSAGE]. Sec. 13.4. As used in this chapter, "quantum
24 computing research, advanced computing, and defense infrastructure
25 network" means the quantum safe fiber network between two (2) or
26 more facilities using qualified equipment to create and connect
27 qualified facilities to a quantum safe fiber network that create a
28 minimum qualified investment of at least fifty million dollars
29 (\$50,000,000) on or before the fifth anniversary of the issuance of the
30 specific transaction award certificate by the corporation. The term
31 includes the land, buildings, site improvements, permitting, lease
32 payments, site characterization and assessment, engineering and
33 design, quantum safe fiber network equipment, rights-of-way, and any
34 other required access, used directly to be a part of:

35 (1) a qualified advanced computing or a qualified quantum
36 computing research initiative within Indiana;

37 (2) the deployment or expansion of advanced computing, within
38 Indiana;

39 (3) the expansion of the defense industry within Indiana; or

40 (4) the quantum computing research, advanced computing and
41 defense infrastructure network connected to and used for:

42 (A) quantum research (including computing, communication;



1 and networking);
 2 (B) advanced computing; or
 3 (C) defense infrastructure network;
 4 at or related to the federal or state of Indiana military installations;
 5 research universities; I-Light; or any other Department of Defense
 6 or Indiana National Guard installation within Indiana.

7 SECTION 15. IC 6-2.5-15-14, AS AMENDED BY P.L.178-2025,
 8 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 14. (a) A qualified data center user ~~or a~~
 10 ~~quantum computing research, advanced computing, and defense~~
 11 ~~infrastructure network operator~~ that holds an interest in a qualified data
 12 center ~~or an interest in a quantum computing research, advanced~~
 13 ~~computing, and defense infrastructure network~~ may apply to the
 14 corporation for a specific transaction award certificate to make
 15 purchases, other than the purchase of utilities described in IC 6-2.5-4-5,
 16 that are exempt under this chapter. The request must be on a form
 17 prescribed by the corporation.

18 (b) The corporation has exclusive authority over issues related to
 19 issuing a specific transaction award certificate.

20 (c) If the corporation issues a specific transaction award certificate
 21 under this chapter, the certificate must state that the facility is a
 22 qualified data center. ~~or a quantum computing research, advanced~~
 23 ~~computing, and defense infrastructure network, as applicable.~~

24 (d) A specific transaction award certificate issued by the corporation
 25 shall expire not later than:

- 26 (1) twenty-five (25) years after the date of issuance; ~~or~~
 27 (2) ~~in the case of a qualified data center user,~~ fifty (50) years after
 28 the date of issuance if the qualified investment is seven hundred
 29 fifty million dollars (\$750,000,000) or greater. ~~or~~
 30 (3) ~~in the case of a quantum computing research, advanced~~
 31 ~~computing, and defense infrastructure network operator,~~ fifty (50)
 32 years after the date of issuance if the qualified investment is fifty
 33 million dollars (\$50,000,000) or greater within three (3) years of
 34 the issuance of the transaction award certificate.

35 SECTION 16. IC 6-2.5-15-15, AS AMENDED BY P.L.178-2025,
 36 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 UPON PASSAGE]: Sec. 15. The following apply if the corporation
 38 approves an application for a specific transaction award certificate:

- 39 (1) The corporation shall require the qualified data center user ~~or~~
 40 ~~quantum computing research, advanced computing, and defense~~
 41 ~~infrastructure network operator, as applicable,~~ to enter into an
 42 agreement with the corporation as a condition of receiving a



specific transaction award certificate under this chapter.

(2) The agreement with the corporation must include:

(A) a detailed description of the project that is the subject of the agreement; ~~that includes documentation of compliance with the requirement that the investment be specific to infrastructure for the Indiana defense industry or quantum computing research or advanced computing;~~

(B) the duration of the specific transaction award certificate and the first taxable year for which the award provided by this chapter may be used; and

(C) a requirement that the qualified data center user ~~or quantum computing research, advanced computing, and defense infrastructure network operator, as applicable,~~ annually report to the corporation on the amount of taxes that were not paid by the qualified data center user ~~or quantum computing research, advanced computing, and defense infrastructure network operator~~ in connection with the purchase of data center equipment. ~~or quantum computing research, advanced computing, and defense infrastructure network equipment, as applicable.~~

SECTION 17. IC 6-2.5-15-16, AS AMENDED BY P.L.178-2025, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. The sale of qualified data center ~~or quantum computing research, advanced computing, and defense infrastructure network~~ equipment is exempt from the state gross retail tax if the qualified data center equipment: ~~or quantum computing research, advanced computing, and defense infrastructure network equipment, as applicable:~~

(1) is sold to a qualified data center user ~~or a quantum computing research, advanced computing, and defense infrastructure network~~ approved by the corporation under this chapter; and

(2) will be located in a qualified data center. ~~or is a part of a quantum safe fiber network or is a part of a quantum computing research, advanced computing, and defense infrastructure network.~~

SECTION 18. IC 6-2.5-15-17, AS AMENDED BY P.L.178-2025, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. A qualified data center user ~~or a quantum computing research, advanced computing, and defense infrastructure network operator~~ is not entitled to the exemption provided by section 16 of this chapter unless the qualified data center user ~~or the quantum computing research, advanced computing, and defense infrastructure~~



1 ~~network operator~~ provides the seller with an exemption certificate on
 2 a form prescribed by the department and a copy of the specific
 3 transaction award certificate issued by the corporation. In the case of
 4 utilities described in IC 6-2.5-4-5, the qualified data center user may
 5 issue an exemption certificate on a form prescribed by the department
 6 and a copy of the specific transaction award certificate issued by the
 7 corporation to cover all utility purchases from that seller. However, for
 8 the corporation to issue a specific transaction award certificate for
 9 utilities described in IC 6-2.5-4-5, the qualified data center user must
 10 agree to report and remit use tax under this article to the department on
 11 the part of the utility purchases used for administration of the facility.

12 SECTION 19. IC 6-2.5-15-18, AS AMENDED BY P.L.178-2025,
 13 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 18. **(a) This section does not apply to a**
 15 **qualified data center user that is a qualified colocation tenant.**

16 ~~(a)~~ **(b)** If the corporation determines that a qualified data center user
 17 ~~or a quantum computing research, advanced computing, and defense~~
 18 ~~infrastructure network operator that~~ did not pay taxes as a result of the
 19 award provided under this chapter ~~and~~ is not entitled to the award
 20 because of the qualified data center user's noncompliance with the
 21 requirements of the sales tax award certificate agreement or this
 22 chapter, the corporation shall, after giving the qualified data center user
 23 ~~or the operator~~ an opportunity to explain the noncompliance:

- 24 (1) notify the department of the noncompliance; and
- 25 (2) request the department to impose an assessment on the
- 26 qualified data center user ~~or the quantum computing research,~~
- 27 ~~advanced computing, and defense infrastructure network operator~~
- 28 in an amount that may not exceed the sum of the taxes not paid as
- 29 a result of the exemption provided under this chapter together
- 30 with interest and penalties required or permitted by law.

31 ~~(b)~~ **(c)** Notwithstanding the provisions of IC 6-8.1-5-2, an
 32 assessment under subsection ~~(a)~~ **(b)** is considered timely if the
 33 department issues a proposed assessment:

- 34 (1) not later than one hundred eighty (180) days from the date the
- 35 department is notified of the noncompliance; or
- 36 (2) the date on which a proposed assessment could otherwise be
- 37 issued in a timely manner under IC 6-8.1-5-2;

38 whichever is later.

39 SECTION 20. IC 6-2.5-15-19, AS AMENDED BY P.L.178-2025,
 40 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 19. Except as provided in section 18 of this
 42 chapter, if the corporation approves a qualified data center user's ~~or a~~



quantum computing research, advanced computing, and defense infrastructure network operator's application to receive a specific transaction award certificate and enters into an agreement with the qualified data center user ~~or the quantum computing research, advanced computing, and defense infrastructure network operator~~ for a specific transaction award certificate, the corporation's certification of the qualified data center ~~or the quantum computing research, advanced computing, and defense infrastructure network~~ remains in effect, even if there is a future transfer, sale, or disposition, directly or indirectly, of the qualified data center. ~~or the quantum computing research, advanced computing, and defense infrastructure network.~~ A subsequent owner shall enter into an agreement with the corporation before the subsequent owner is entitled to receive a specific transaction award certificate for the remainder of the eligibility period.

SECTION 21. IC 6-2.5-15-20, AS AMENDED BY P.L.178-2025, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. Beginning in 2030, and every ten (10) years thereafter, the corporation shall submit to the legislative council in an electronic format under IC 5-14-6 an economic and fiscal impact study evaluating the statewide impact of data center ~~investments and quantum computing research, advanced computing, and defense infrastructure network~~ investments in Indiana.

SECTION 22. IC 8-1-2-4.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.9. (a) This section applies to a base rate case:**

(1) that is filed by an electricity supplier with the commission; and

(2) with respect to which the commission has not issued a final order before March 15, 2026;

regardless of when the base rate case is filed by the electricity supplier with the commission.

(b) As used in this section, "electricity supplier" means a person, however organized, that:

(1) provides retail electric service to customers in Indiana; and

(2) is under the jurisdiction of the commission for the approval of rates and charges.

(c) After March 14, 2026, the commission may not issue a final order in a base rate case filed by an electricity supplier if the final order, once fully implemented, would result in an average increase of three percent (3%) or greater in the total monthly bill of a



1 **residential customer of the electricity supplier.**

2 SECTION 23. IC 8-1-2-86 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 86. (a) **No Except**
4 **as provided in subsection (b), a** license, permit, or franchise ~~shall~~
5 **may not** be granted to any person, copartnership, or corporation to
6 own, operate, manage, or control any plant or equipment of any public
7 utility in any municipality where there is in operation a public utility
8 engaged in similar service under a license, franchise, or permit without
9 first securing from the commission a declaration, after a public hearing,
10 of all parties interested, that public convenience and necessity require
11 such second public utility.

12 **(b) provided; that any A** municipality, **including a consolidated**
13 **city,** may purchase, condemn, and operate, or construct and operate, a
14 utility in such municipality for the purpose of transportation,
15 production, transmission, delivery, sale, and furnishing of heat, light,
16 water, ~~and/or or~~ power to ~~such the~~ municipality ~~and/or or~~ the public
17 in and within six (6) miles of the limits of ~~such the~~ municipality,
18 without the consent of ~~said the~~ commission, ~~although even if~~ there is
19 operating in ~~said the~~ municipality a public utility engaged in a similar
20 service under a license, franchise, or indeterminate permit. **A**
21 **certificate of public convenience and necessity is not required as a**
22 **condition precedent to:**

23 **(1) the owning, leasing, acquisition, construction, or operation**
24 **of a utility under this section; or**

25 **(2) the purchase or condemnation of a public utility's**
26 **property under section 92 or 93 of this chapter;**

27 **as set forth in IC 8-1.5-2-7.**

28 ~~(b)~~ (c) Any permit, license, or franchise in existence on May 1,
29 1913, which ~~shall contain~~ **contains** any term whatsoever interfering
30 with the existence of a second public utility is hereby declared to be
31 against public policy and is hereby amended in such manner as to
32 permit a municipality to grant a license, franchise, or permit for the
33 operation of ~~such a~~ second public utility pursuant to the provisions of
34 this chapter.

35 SECTION 24. IC 8-1-2-95.1 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 95.1. **Except as**
37 **provided in IC 8-1.5-2-15.1,** notwithstanding any other provision of
38 this chapter, after February 29, 1980, a municipality, public utility, or
39 corporation organized under IC 8-1-13 may not bring any action in the
40 circuit or superior court of any county against any corporation
41 organized under IC 8-1-13 or any public utility as defendant for the
42 condemnation of its electric utility property for the use of the property



1 in providing electric utility service.

2 SECTION 25. IC 8-1.5-2-2, AS AMENDED BY P.L.34-2024,
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 2. (a) This chapter does not apply to utilities
5 governed by:

6 (1) IC 8-1-13; or

7 (2) IC 8-1-2 except for a municipally owned electric, natural gas,
8 water, wastewater, or combined water and wastewater utility.

9 (b) **Except as otherwise provided in section 15.1 of this chapter,**
10 the law relating to acquisition of electric utility property and to
11 electricity suppliers' service area assignments ~~shall be~~ is governed by
12 IC 8-1-2.3 and IC 8-1-2-95.1 and ~~nothing in this chapter modifies or~~
13 ~~abridges~~ **does not modify or abridge** those provisions.

14 SECTION 26. IC 8-1.5-2-15.1 IS ADDED TO THE INDIANA
15 CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE UPON PASSAGE]: **Sec. 15.1. (a) This section applies**
17 **to a municipality that seeks to purchase the electric utility property**
18 **of a public utility for use of the property in providing electric**
19 **utility service.**

20 (b) As used in this section, "public utility" has the meaning set
21 forth in IC 8-1-2-1(a).

22 (c) If a municipality and the owners of a public utility are
23 unable to agree upon a price to be paid for the electric utility
24 property of the public utility, the municipality may:

25 (1) by ordinance declare that a public necessity exists for the
26 condemnation of the electric utility property; and

27 (2) bring, in the circuit or superior court of the county where
28 the municipality is located, an action against the public utility
29 for the condemnation of the electric utility property.

30 (d) An ordinance adopted under subsection (c) is final.

31 (e) For the purpose of acquiring the electric utility property of
32 a public utility, the municipality:

33 (1) may exercise the power of eminent domain in accordance
34 with IC 32-24; and

35 (2) is required only to establish the necessity of taking as this
36 chapter requires.

37 SECTION 27. IC 8-1.5-3-8, AS AMENDED BY P.L.161-2020,
38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 UPON PASSAGE]: Sec. 8. (a) A municipality owning a utility under
40 this chapter shall furnish reasonably adequate services and facilities.

41 (b) The rates and charges made by a municipality for a service
42 rendered or to be rendered, either directly or in connection therewith,



1 must be nondiscriminatory, reasonable, and just.

2 (c) "Reasonable and just rates and charges for services" means rates
3 and charges that produce sufficient revenue to:

4 (1) pay all the legal and other necessary expenses incident to the
5 operation of the utility, including:

6 (A) maintenance costs;

7 (B) operating charges;

8 (C) upkeep;

9 (D) repairs;

10 (E) depreciation;

11 (F) interest charges on bonds or other obligations, including
12 leases; and

13 (G) costs associated with the acquisition of utility property
14 under IC 8-1.5-2;

15 (2) provide a sinking fund for the liquidation of bonds or other
16 obligations, including leases;

17 (3) provide a debt service reserve for bonds or other obligations,
18 including leases, in an amount established by the municipality,
19 not to exceed the maximum annual debt service on the bonds or
20 obligations or the maximum annual lease rentals;

21 (4) provide adequate money for working capital;

22 (5) provide adequate money for making extensions and
23 replacements to the extent not provided for through depreciation
24 in subdivision (1); and

25 (6) provide money for the payment of any taxes that may be
26 assessed against the utility.

27 (d) It is the intent of this section that the rates and charges produce
28 an income sufficient to maintain the utility property in a sound physical
29 and financial condition to render adequate and efficient service. Rates
30 and charges too low to meet these requirements are unlawful.

31 (e) **This subsection does not apply to rates and charges**
32 **established or amended by a municipal legislative body after**
33 **March 14, 2026.** The board may recommend to the municipal
34 legislative body rates and charges sufficient to include a reasonable
35 return on the utility plant of the municipality.

36 (f) Rates and charges established under this section are subject to
37 the approval of:

38 (1) the municipal legislative body by ordinance; and

39 (2) the commission, in accordance with the procedures set forth
40 in IC 8-1-2.

41 The commission shall approve rates and charges that are sufficient, in
42 addition to the cash revenue requirements set forth in subsection (c), to



1 include a reasonable return on the utility plant of the municipality if the
 2 legislative body so elects. **For rates and charges established or**
 3 **amended by a municipal legislative body after March 14, 2026, the**
 4 **commission may not approve rates and charges that include a**
 5 **return on the utility plant of the municipality.**

6 (g) Except for a municipally owned utility taxed under IC 6-1.1-8-3,
 7 the commission shall approve rates and charges sufficient to
 8 compensate the municipality for taxes that would be due the
 9 municipality on the utility property were it privately owned. These rates
 10 and charges in lieu of taxes may be transferred to the municipal general
 11 fund, if the legislative body so elects.

12 (h) The commission shall grant a request that an increase in rates
 13 and charges not be effective until after the occurrence of a future event
 14 if the legislative body so requests.

15 (i) A municipality that acquires and operates a utility under
 16 IC 8-1.5-2 by exercising the power of eminent domain may not impose
 17 a special rate, charge, surcharge, or other fee, other than rates and
 18 charges approved under this section or otherwise authorized by law, on
 19 the customers of the utility in order to pay for the costs associated with
 20 acquiring the utility through the exercise of the power of eminent
 21 domain.

22 (j) This subsection does not apply to services rendered by a sewage
 23 works that is subject to IC 36-9-23 or to IC 36-9-25. This subsection
 24 also does not apply to services rendered by a department of public
 25 utilities created by IC 8-1-11.1 or to services rendered by a utility
 26 company owned, operated, or held in trust by a consolidated city. This
 27 subsection applies to property that is served by a municipally owned
 28 utility and that is occupied by someone other than the owner of the
 29 property. Upon applying for utility service from a municipally owned
 30 utility for property subject to this subsection, the person occupying the
 31 property shall provide the municipally owned utility with the name and
 32 contact information of the owner or manager of the property. Subject
 33 to subsection (k), all rates, charges, and other fees for services rendered
 34 by a municipally owned utility to a property that is subject to this
 35 subsection are payable by the person occupying the property if the
 36 account or other customer or billing records maintained by the
 37 municipally owned utility for the property indicate that:

- 38 (1) the property is occupied by someone other than the owner; and
- 39 (2) the person occupying the property is responsible for paying
- 40 the rates, charges, and fees assessed for the services rendered by
- 41 the municipally owned utility with respect to the property.

42 Rates, charges, and fees assessed for services rendered by a



1 municipally owned utility with respect to property occupied by
 2 someone other than the owner of the property do not constitute a lien
 3 against the property.

4 (k) With respect to property that is served by a municipally owned
 5 utility and that is occupied by someone other than the owner of the
 6 property, subsection (j) does not:

7 (1) prohibit a municipal legislative body from imposing any:

8 (A) requirement for a deposit to ensure payment by the person
 9 occupying the property of the rates, charges, and fees assessed
 10 for the services rendered by the municipally owned utility with
 11 respect to the property; or

12 (B) other requirement to ensure the creditworthiness of the
 13 person occupying the property as the account holder or
 14 customer with respect to the property;

15 that the municipal legislative body may lawfully impose; or

16 (2) abrogate or limit the authority of the owner of a multi-unit
 17 building to engage in electrical submetering under IC 8-1-2-36.5,
 18 subject to:

19 (A) the owner's qualification to engage in submetering under
 20 IC 8-1-2-36.5 and 170 IAC 4-5; and

21 (B) the owner's compliance with the requirements for
 22 submetering set forth in IC 8-1-2-36.5 and 170 IAC 4-5.

23 (l) With respect to property that is served by a municipally owned
 24 utility and that is occupied by someone other than the owner of the
 25 property, subsection (k) does not allow a municipal legislative body to
 26 impose a requirement that the owner of the property must:

27 (1) ensure the creditworthiness of the person occupying the
 28 property; or

29 (2) accept responsibility for charges incurred by the person
 30 occupying the property;

31 by cosigning an agreement or by any other method.

32 **SECTION 28. [EFFECTIVE UPON PASSAGE] (a) As used in this**
 33 **SECTION, "commission" refers to the Indiana utility regulatory**
 34 **commission created by IC 8-1-1-2.**

35 **(b) As used in this SECTION, "electricity supplier" means a**
 36 **person, however organized, that:**

37 **(1) provides retail electric service to customers in Indiana;**
 38 **and**

39 **(2) is under the jurisdiction of the commission for the**
 40 **approval of rates and charges.**

41 **(c) The commission may not issue before July 1, 2028, a final**
 42 **order in a base rate case filed by an electricity supplier with the**



1 **commission, regardless of the date of filing of the electricity**
 2 **supplier's base rate case with the commission.**
 3 **(d) This SECTION expires July 1, 2028.**
 4 **SECTION 29. An emergency is declared for this act.**

