

SENATE BILL No. 203

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-11-1-32; IC 5-28-4; IC 5-28-6.

Synopsis: Indiana economic development corporation. Requires the state board of accounts to act as the economic development ombudsman (ombudsman) for the Indiana economic development corporation (IEDC) and a nonprofit subsidiary of the IEDC (nonprofit subsidiary) and to designate an individual to serve as the ombudsman. Sets forth the ombudsman's duties, including the recommendation of policies to the general assembly concerning economic development and transparency matters. Allows the ombudsman (subject to the state examiner's approval) to employ or contract with assistants necessary to assist the ombudsman in carrying out the ombudsman's duties. Establishes circumstances under which the ombudsman is required to adopt a budget before the ombudsman's costs, including the costs of any assistants, in carrying out the ombudsman's duties are paid from appropriations made to the IEDC and when the ombudsman may bill the IEDC for those costs without using the budget procedure added by this bill. Provides for appointment to the board of the IEDC of two nonvoting, advisory members who are members of the general assembly. Requires the IEDC to establish a dashboard that includes longitudinal representations of certain economic development data derived from elements required to be included in the economic incentives and compliance report. Requires the IEDC to analyze the potential impact of a proposed economic development investment on the costs to provide the following utility services to ratepayers: (1) Water. (2) Wastewater. (3) Electricity. (4) Natural gas. Specifies that in performing the analysis, the IEDC must consider each of the following: (1) The existing utility infrastructure available to serve the

(Continued next page)

Effective: Upon passage; July 1, 2026.

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January 8, 2026, read first time and referred to Committee on Commerce and Technology.



project. (2) Any new utility infrastructure needed to serve the project. (3) Water resource availability for the project. Provides that if a proposed economic development investment is projected to negatively impact ratepayers, the IEDC is required to develop and implement a mitigation plan. Allows the IEDC to consult with certain state agencies, utilities providing utility services to the project area, local units of government, and consumer and ratepayer advocates in performing the analysis and mitigation requirements added by this bill.



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. 203

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

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

1 SECTION 1. IC 5-11-1-32 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: **Sec. 32. (a) The following definitions apply throughout**
4 **this section:**

5 (1) "Corporation" refers to the Indiana economic
6 development corporation established by IC 5-28-3-1.

7 (2) "Nonprofit subsidiary" refers to a nonprofit subsidiary
8 corporation established under IC 5-28-5-13.

9 (3) "Ombudsman" means the individual designated as the
10 economic development ombudsman under subsection (b) for
11 the corporation and a nonprofit subsidiary.

12 (b) The state board of accounts shall act as the economic
13 development ombudsman for the corporation and a nonprofit
14 subsidiary. To carry out the duties set forth in this section, the state
15 board of accounts shall designate an individual to serve as the



1 economic development ombudsman. The individual selected under
 2 this subsection serves at the pleasure of the state board of accounts.

3 (c) The ombudsman shall carry out the following duties:

4 (1) Assist the state board of accounts with respect to:

5 (A) an examination of the corporation or a nonprofit
 6 subsidiary; or

7 (B) a review of the examination of the corporation or a
 8 nonprofit subsidiary conducted by a private examiner as
 9 described in section 9 of this chapter.

10 (2) Conduct investigations related to fraud, waste, abuse,
 11 mismanagement, and misconduct in the corporation or
 12 nonprofit subsidiary.

13 (3) Conduct performance audits of programs of the
 14 corporation or nonprofit subsidiary.

15 (4) Consult with outside management and economic
 16 development experts to aid the ombudsman in carrying out
 17 the duties under this section.

18 (5) Recommend policies to the general assembly that would do
 19 any of the following:

20 (A) Increase public trust of the corporation's management
 21 and spending of taxpayer resources.

22 (B) Increase the transparency of the corporation's
 23 activities without sacrificing the corporation's economic
 24 development mission as set forth in IC 5-28-1-1.

25 (C) Promote economic development in all parts of Indiana,
 26 especially rural communities.

27 (D) Increase the opportunities for coordination and
 28 collaboration with local communities throughout Indiana.

29 Any policy recommendations under this subdivision must be
 30 made to the general assembly in an electronic format under
 31 IC 5-14-6.

32 (6) Attend board meetings of the corporation and have access
 33 to all board materials.

34 (d) This subsection applies if the ombudsman's budget is not
 35 more than ninety-nine thousand dollars (\$99,000). The ombudsman
 36 shall bill the corporation for the costs incurred in carrying out the
 37 duties under this section. The ombudsman's costs, including the
 38 costs of any assistants under subsection (f), shall be paid from
 39 appropriations made to the corporation.

40 (e) This subsection applies if the ombudsman's budget is more
 41 than ninety-nine thousand dollars (\$99,000). The ombudsman must
 42 prepare a budget and provide the proposed budget to the state



1 examiner and the corporation. The state examiner and the
 2 corporation must provide written comments on the ombudsman's
 3 proposed budget not later than fourteen (14) days after the date the
 4 proposed budget is received. After the corporation and the state
 5 examiner have provided written comments on the ombudsman's
 6 proposed budget, the ombudsman shall provide the proposed
 7 budget to the budget agency for review and approval. The budget
 8 agency may:

- 9 (1) approve;
- 10 (2) approve with modifications; or
- 11 (3) deny;

12 the ombudsman's proposed budget. If the budget agency denies the
 13 ombudsman's proposed budget, the ombudsman may prepare
 14 another proposed budget and resubmit that budget in accordance
 15 with the procedures set forth in this subsection. The costs incurred
 16 by the ombudsman, including the costs of any assistants under
 17 subsection (f), in carrying out the duties under this section shall be
 18 paid from appropriations made to the corporation in accordance
 19 with the budget approved under this subsection.

20 (f) Subject to the approval of the state examiner, the
 21 ombudsman may employ or contract with assistants who are
 22 necessary to assist the ombudsman in carrying out the duties under
 23 this section and who meet the requirements applicable to the:

- 24 (1) appointment of a field examiner under section 8 of this
 25 chapter; or
- 26 (2) engagement of a private examiner under section 24 of this
 27 chapter.

28 (g) The corporation and a nonprofit subsidiary shall cooperate
 29 with the ombudsman to carry out the purpose of this section.

30 (h) In carrying out any of the duties under this section, the
 31 ombudsman has the same rights, powers, duties, and obligations as
 32 the state examiner, deputy examiner, field examiner, or private
 33 examiner when engaged in making any examination or when
 34 engaged in any official duty delegated to that examiner by the state
 35 examiner.

36 (i) This section does not confer authority on the state board of
 37 accounts or the ombudsman to publicly release information where
 38 public release of that information is prohibited, restricted, or
 39 otherwise limited by any one (1) of the following:

- 40 (1) A contractual provision governing:
 - 41 (A) access to; or
 - 42 (B) public disclosure or release of;



information.

(2) IC 5-14-1.5 (open door law).

(3) IC 5-14-3 (access to public records).

(4) IC 24-2-3 (Uniform Trade Secrets Act).

(5) Another law that prohibits, restricts, or limits public access to the information.

SECTION 2. IC 5-28-4-2, AS AMENDED BY P.L.186-2025, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The board is composed of the following members: ~~none of whom may be members of the general assembly~~:

(1) The governor.

(2) Eleven (11) individuals appointed by the governor.

(3) The members (if any) appointed by the governor under subsection (c).

(4) Two (2) nonvoting, advisory members who are members of the general assembly appointed under subsection (d).

The individuals appointed under subdivision (2) and the individuals appointed under subsection (c) must be employed in or retired from the private or nonprofit sector or academia **and may not be members of the general assembly.**

(b) When making appointments under subsection (a)(2), the governor shall appoint the following:

(1) At least five (5) members belonging to the same political party as the governor.

(2) At least three (3) members who belong to a major political party (as defined in IC 3-5-2.1-62) other than the party of which the governor is a member.

(c) In addition to the members appointed under subsection (a)(2), the governor may appoint not more than three (3) additional members to the board. If the governor appoints more than one (1) additional member to the board under this subsection, at least one (1) of the additional members must belong to a major political party (as defined in IC 3-5-2.1-62) other than the party of which the governor is a member.

(d) The members described in subsection (a)(4) are appointed as follows:

(1) The speaker of the house of representatives shall appoint one (1) individual who is a member of the house of representatives.

(2) The president pro tempore of the senate shall appoint one (1) individual who is a member of the senate.

(e) The following apply to the members appointed under



subsection (d):

(1) A member appointed under subsection (d):

(A) serves at the pleasure of the member's appointing authority; and

(B) may be reappointed to successive terms.

(2) A vacancy in an appointment under subsection (d)(1) shall be filled by the speaker of the house of representatives.

(3) A vacancy in an appointment under subsection (d)(2) shall be filled by the president pro tempore of the senate.

(4) An individual appointed to fill a vacancy in an appointment under subsection (d) serves for the unexpired term of the individual's predecessor.

SECTION 3. IC 5-28-4-3, AS AMENDED BY P.L.237-2017, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Except as provided in subsection (d), the term of office of an appointed member of the board is four (4) years.

(b) Each member appointed under section 2(a)(2) or 2(c) of this chapter holds office for the term of appointment and continues to serve after expiration of the appointment until a successor is appointed and qualified. A member is eligible for reappointment.

(c) Members of the board appointed under section 2(a)(2) or 2(c) of this chapter serve at the pleasure of the governor.

(d) This subsection applies to a member of the board appointed under section 2(d) of this chapter. The initial term of a member is one (1) year and expires June 30, 2027. The term of a member is two (2) years and expires June 30 of the odd-numbered year.

SECTION 4. IC 5-28-4-5, AS ADDED BY P.L.4-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The members of the board who are not members of the general assembly:

(1) are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly; ~~The members of the board and~~

(2) are ~~also~~ entitled to receive reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the members' duties as approved by the budget agency.

(b) Each member of the board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be



1 **paid from appropriations made to the legislative council or**
 2 **legislative services agency.**

3 SECTION 5. IC 5-28-4-6, AS AMENDED BY P.L.237-2017,
 4 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2026]: Sec. 6. (a) The following constitutes a quorum for the
 6 transaction of business by the board of the corporation:

7 (1) Seven (7) **voting members of the board**, if:

8 (A) no additional members are appointed under section 2(c) of
 9 this chapter; or

10 (B) one (1) additional member is appointed under section 2(c)
 11 of this chapter.

12 (2) Eight (8) **voting members of the board**, if either two (2) or
 13 three (3) additional members are appointed under section 2(c) of
 14 this chapter.

15 (b) The following number of affirmative votes is necessary for
 16 action to be taken by the board:

17 (1) The affirmative vote of at least seven (7) members, if:

18 (A) no additional members are appointed under section 2(c) of
 19 this chapter; or

20 (B) one (1) additional member is appointed under section 2(c)
 21 of this chapter.

22 (2) The affirmative vote of at least eight (8) members, if either
 23 two (2) or three (3) additional members are appointed under
 24 section 2(c) of this chapter.

25 (c) Members of the board may not vote by proxy.

26 SECTION 6. IC 5-28-6-2, AS AMENDED BY P.L.116-2025,
 27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]: Sec. 2. (a) The corporation shall develop and promote
 29 programs designed to make the best use of Indiana resources to ensure
 30 a balanced economy and continuing economic growth for Indiana, and,
 31 for those purposes, may do the following:

32 (1) Cooperate with federal, state, and local governments and
 33 agencies in the coordination of programs to make the best use of
 34 Indiana resources, based on a statewide study to determine
 35 specific economic sectors that should be emphasized by the state
 36 and by local economic development organizations within
 37 geographic regions in Indiana, and encourage collaboration with
 38 local economic development organizations within geographic
 39 regions in Indiana and with the various state economic
 40 development organizations within the states contiguous to
 41 Indiana.

42 (2) Receive and expend funds, grants, gifts, and contributions of



money, property, labor, interest accrued from loans made by the corporation, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government. The corporation:

(A) may accept federal grants for providing planning assistance, making grants, or providing other services or functions necessary to political subdivisions, planning commissions, or other public or private organizations;

(B) shall administer these grants in accordance with the terms of the grants; and

(C) may contract with political subdivisions, planning commissions, or other public or private organizations to carry out the purposes for which the grants were made.

(3) Direct that assistance, information, and advice regarding the duties and functions of the corporation be given to the corporation by an officer, agent, or employee of the executive branch of the state. The head of any other state department or agency may assign one (1) or more of the department's or agency's employees to the corporation on a temporary basis or may direct a division or an agency under the department's or agency's supervision and control to make a special study or survey requested by the corporation.

(b) The corporation shall perform the following duties:

(1) Develop and implement industrial development programs to encourage expansion of existing industrial, commercial, and business facilities in Indiana and to encourage new industrial, commercial, and business locations in Indiana.

(2) Assist businesses and industries in acquiring, improving, and developing overseas markets and encourage international plant locations in Indiana. The corporation, with the approval of the governor, may establish foreign offices to assist in this function. However, the corporation may not establish, and the governor may not approve the establishment of, a foreign office in a foreign country described in 15 CFR 791.4.

(3) Promote the growth of minority business enterprises by doing the following:

(A) Mobilizing and coordinating the activities, resources, and efforts of governmental and private agencies, businesses, trade associations, institutions, and individuals.

(B) Assisting minority businesses in obtaining governmental or commercial financing for expansion or establishment of new businesses or individual development projects.



- 1 (C) Aiding minority businesses in procuring contracts from
2 governmental or private sources, or both.
- 3 (D) Providing technical, managerial, and counseling assistance
4 to minority business enterprises.
- 5 (4) Assist the office of the lieutenant governor in:
6 (A) community economic development planning;
7 (B) implementation of programs designed to further
8 community economic development; and
9 (C) the development and promotion of Indiana's tourist
10 resources.
- 11 (5) Assist the secretary of agriculture and rural development in
12 promoting and marketing of Indiana's agricultural products and
13 provide assistance to the director of the Indiana state department
14 of agriculture.
- 15 (6) With the approval of the governor, implement federal
16 programs delegated to the state to carry out the purposes of this
17 article.
- 18 (7) Promote the growth of small businesses by doing the
19 following:
20 (A) Assisting small businesses in obtaining and preparing the
21 permits required to conduct business in Indiana.
22 (B) Serving as a liaison between small businesses and state
23 agencies.
24 (C) Providing information concerning business assistance
25 programs available through government agencies and private
26 sources.
- 27 (8) Establish a transparency portal on its current website. The
28 page must provide the following:
29 (A) By program, cumulative information on the total amount
30 of incentives awarded, the total number of companies that
31 received the incentives and were assisted in a year, and the
32 names and addresses of those companies.
33 (B) A mechanism on the page whereby the public may request
34 further information online about specific programs or
35 incentives awarded.
36 (C) A mechanism for the public to receive an electronic
37 response.
38 (D) Access to the following:
39 (i) Any information or report that is required by statute to be
40 included in the economic incentives and compliance report
41 submitted under IC 5-28-28.
42 (ii) Final offer of public financial resources to which the



corporation is a party.

(iii) Reports that the corporation submitted to the general assembly.

(9) Establish a dashboard that is easily accessible from either the corporation's website or the transparency portal (or both) to convey economic development data in an easily understandable manner that deploys charts and graphs. The dashboard must include at least the following information:

(A) Longitudinal representations of economic development data derived primarily from the elements that are required under IC 5-28-28-6 to be included in the economic incentives and compliance report.

(B) Depictions of:

(i) the amount of tax money spent on economic development;

(ii) the number of actual jobs created, and the number of jobs expected to be created;

(iii) a ratio showing tax money spent per job created;

(iv) the distribution by county or region where tax money was spent and jobs were created; and

(v) how the corporation spends tax money and generates revenue.

(c) The corporation may do the following:

(1) Disseminate information concerning the industrial, commercial, governmental, educational, cultural, recreational, agricultural, and other advantages of Indiana.

(2) Plan, direct, and conduct research activities.

(3) Assist in community economic development planning and the implementation of programs designed to further community economic development.

(d) The dashboard required to be established under subsection

(b)(9) may also include the following information:

(1) A ratio projecting the tax money spent relative to tax revenue generated from the corporation's activities.

(2) Average wages of new jobs attracted to Indiana or expected to be attracted to Indiana.

SECTION 7. IC 5-28-6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. (a) The corporation shall analyze the potential impact of a proposed economic development investment on the costs to provide the following utility services to ratepayers:**

(1) Water.



1 **(2) Wastewater.**

2 **(3) Electricity.**

3 **(4) Natural gas.**

4 **(b) In performing the analysis under subsection (a), the**
 5 **corporation must consider each of the following:**

6 **(1) The existing utility infrastructure available to serve the**
 7 **project.**

8 **(2) Any new utility infrastructure needed to serve the project.**

9 **(3) Water resource availability for the project.**

10 **(c) For any proposed economic development investment that is**
 11 **projected to negatively impact ratepayers for a utility service listed**
 12 **in subsection (a), the corporation shall develop and implement a**
 13 **mitigation plan to offset the costs of providing any or all of the**
 14 **utility services listed in subsection (a) that are associated with the**
 15 **project.**

16 **(d) In performing the analysis under subsection (a) and**
 17 **preparing a mitigation plan under subsection (c) (if mitigation is**
 18 **required), the corporation may consult with the following:**

19 **(1) The Indiana utility regulatory commission.**

20 **(2) The department of natural resources.**

21 **(3) Utilities that provide any of the utility services listed in**
 22 **subsection (a) to the ratepayers located in the area of the**
 23 **project.**

24 **(4) Counties, cities, towns, and other political subdivisions**
 25 **located in the area of the project.**

26 **(5) Consumer and ratepayer advocates.**

27 **SECTION 8. An emergency is declared for this act.**

