

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6564

BILL NUMBER: SB 257

NOTE PREPARED: Dec 19, 2025

BILL AMENDED:

SUBJECT: Electricity Rate Increases Due to Data Centers.

FIRST AUTHOR: Sen. Garten

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the Indiana Utility Regulatory Commission (IURC) may not approve an increase in the rates and charges of an electric utility to the extent the increase is related solely to the electric utility's cost of providing electric utility service to: (1) a data center; or (2) a new or existing facility: (A) the electricity demand of which exceeds or will exceed a specified amount; and (B) that employs or will employ fewer than 50 full-time employees on the premises of the facility.

Effective Date: July 1, 2026.

Explanation of State Expenditures: This bill may increase the workload of the IURC to analyze cost drivers for electricity service attributable solely to providing power to a data center.

Explanation of State Revenues: This bill would decrease potential sales tax revenue the state would collect from taxes on utility bills during high levels of data center activity.

Additional Information - A study estimates that wholesale electricity costs data centers and cryptocurrency mining could lead to an average cost increase of about 8% nationally.

[The estimated sales tax revenue collection from electricity service in FY 2027 is between \$580.5 M and \$624.2 M and in FY 2028 is between \$597.7 M and \$642.7 M.]

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill could reduce potential revenue from municipal electric utilities would make from increased rates due to the presence of data centers.

State Agencies Affected: Indiana Utility Regulatory Commission.

Local Agencies Affected: Municipal electric utilities.

Information Sources: Carnegie Mellon University, Wilton E. Scott Institute for Energy Innovation, <https://energy.cmu.edu/files/documents/electricity-grid-impacts-of-rising-demand-from-data-centers-and-cryptocurrency-mining-operations.pdf>

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