

# State Legislative Update

## February 20, 2026

### 2026 INDIANA GENERAL ASSEMBLY WEEK 7

#### General Legislative Information

- Week 7 of the 2026 legislative session is in the books. Committee work is complete and legislators are on track to complete all business by midnight next Friday, February 27th. But there is much left to do in the remaining week of the session!
- 3rd Reading deadline for both chambers is Tuesday February 24th, followed by an abbreviated conference committee process for bills that need compromise language worked out by legislators from both chambers.
- One of the most noteworthy actions this week is the advancement of Senate Bill 27, which now contains language that brings the re-location of the Chicago Bears to Hammond, Indiana one step closer to reality! SB 27 sets forth the framework for building a new multi-use stadium in Hammond for Da Bears and many other uses. It would be a landmark economic development project for the entire northwest Indiana region! SB 27 was approved by the House Ways and Means Committee unanimously, 24-0. It is far from a done deal, but what legislators are hearing from NW Indiana officials and those within the Bears organization about Indiana's business and economic climate does beg cautious optimism that a final deal is well within reach. Stay tuned.
- With one week to go, there are many moving pieces in many pieces of legislation including House Bill 1055 which would move municipal elections to presidential election years, House Bill 1038 which proposed to relocate the Rising Sun riverboat casino license to another part of the state, and House Bill 1001, legislation dealing with housing availability and affordability. Where one chamber has amended the other chamber's work, these bills will be going back to their chamber of origin for concurrence or dissent. For that reason, stay tuned to the session wrap-up once the General Assembly completes its work.

#### Legislation of General Interest

- Senate Bill 1359 addresses early voting in Indiana. Earlier this week, the Senate Elections Committee amended HB 1359 – without public comment or public notice – to make significant changes to the window during which Indiana voters can cast their ballots before election day. The underlying bill focuses on rules for when local election officials can scan early voting ballots, and the new language reduces the period during which in person absentee voting may occur from 28 days to 16 days, ending at noon on the day before election day. The committee voted 7-2 along party lines to advance it to the full Senate. HB 1359 will be considered next week by the full Senate.
- Under Senate Joint Resolution 1, Indiana voters will decide in the fall election whether to amend the Indiana Constitution to allow judges to deny bail for certain “dangerous” defendants. The House of Representatives voted 75-11 to approve SJR 1. A joint

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resolution to change the constitution must be approved by two separately elected General Assemblies. SJR 1 was first approved in 2023. With this week's approval, it can now be placed on the November 2026 general election ballot. It must win support from a majority of Hoosiers to take effect.

- Township reorganization has been the focus of much discussion this session, with different approaches being taken by both the House of Representatives and the Senate. House Bill 1315 would have required certain townships to dissolve by January 1, 2028, with many duties and powers consolidated to a municipality or county government under certain population or geographic criteria. It passed the House of Representatives but failed to garner a hearing in the Senate. Senate Bill 270 takes a different approach and would require townships with low performance evaluations to merge with other townships. SB 270 was approved by the House Local Government Committee and the Ways and Means Committee and will now be considered by the full House of Representatives.

## Energy and Utility Legislation of Interest

- Last week's update provided the status of House Bill 1002, which is the major energy legislation for this session. It contains several provisions dealing with utility budget billing (being renamed "levelized billing), utility disconnection and reconnection policies during the summer, performance-based ratemaking for the IOUs, IURC action during emergencies declared by the Governor, quarterly reporting of certain customer information to the OUCC, and the creation of a Low-Income Assistance Program for Electric Utility Service.
  - We had numerous concerns because the provisions dealing with budget billing, quarterly reporting to the OUCC, and the low-income assistance program applied to all rate-regulated electric utilities, including the IOUs and the three municipal electric utilities that remain under IURC jurisdiction for rates and charges – Anderson, Auburn, and Frankfort. The section pertaining to summer shutoffs applies to all electric utilities.
  - As amended by the Senate Utilities Committee, our concerns were addressed and HB 1002 now exempts our three rate-regulated municipal electric utilities from the mandated provisions dealing with levelized (budget) billing, the OUCC reporting requirements, and the creation of a Low-Income Customer Assistance Program. Please note that the section of the bill that deals with the 95-degree heat index summer shutoff moratorium does apply to municipal electrics and any customers that are LIHEAP eligible.
  - HB 1002 was unanimously approved by the full Senate and the House of Representatives concurred with the Senate amendments 94-2.

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HB 1002 now goes to the Governor for his signature into law.

- As reported last week, House Bill 1333 (land use/development and data centers) stalled in the Senate. It did not receive a hearing by the Senate Utilities Committee due to controversial local control language contained in the bill as it passed the House.
  - Specifically, the bill sought to streamline the local approval process for agricultural land use by requiring a development that is sited on land zoned agricultural with soil classifications of 4-8 (which are less productive soils) to be a “permitted use” of the land. Any project or development could be built on agricultural land with these soil classifications without going through a local approval process, which includes public input. Projects that locate on prime agricultural land with soil classifications of 1-3 would continue with the current local approval process. The “permitted use” for any type of project or development on inferior soil is what stalled the bill.
  - Other provisions in HB 1333 would have made changes to the equipment sales tax exemption for data centers that was enacted in 2019. A data center would pay 1% sales tax on any equipment they purchase and that 1% would go to the local unit of government as an incentive to site the development project in that community. For purposes of the statute concerning energy production zones, HB 1333 redefined the term “electric generation facility” as “electric generation or storage facility” and provided that the term included a utility scale battery energy storage system (BESS). The bill also would have provided that if a planned electric generation or storage facility included a BESS, the project owner would have been required to include in the required statutory notice to the local planning authority the emergency response plan required under the statute governing the approval of a battery energy storage system by the IN Department of Homeland Security and documentation of IDHS’s approval of the BESS. Other provisions concerning public hearings were also included in HB 1333.
  - This week, and although a little bit different, the language from HB 1333 dealing with the 1% sales tax on data center equipment was added to House Bill 1210, which is the annual Department of Local Government Finance agency bill (DLGF). Specifically, an amendment was added that stipulates that data centers receiving IEDC tax credits would be required to pay a local unit 1% of the sales tax on any equipment they purchase in addition to 1% of the data center’s total amount of electricity billed, with all invoices and payments to be made quarterly to the county treasurer or city fiscal officer, whichever enters into the agreement with the data center.

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- Senate Bill 240 would require electric utilities that file Integrated Resource Plans (IRPs) to analyze the use of Surplus Interconnection Service (SIS) – defined as unneeded portions of interconnection service capacity that can be utilized at various facilities. SB 240 provides that an electric utility that is required to file an IRP with the IURC must include in any IRP filed after December 31, 2029, an analysis of the potential for surplus interconnection service (SIS) to meet immediate needs for capacity and energy at facilities owned by the electric utility. It authorizes an electric utility to solicit information from owners or operators of third-party facilities about the potential use of SIS at those facilities. An electric utility may include in its IRP the results of a third-party solicitation to the extent that the utility receives information concerning viable opportunities for the use of SIS at the third-party facilities considered. The bill also directs the IURC to study surplus interconnection service use (scope, transmission constraints, demand growth, other relevant aspects), requires utilities to provide information, allows the IURC to request information from third party facility owners/operators, to determine confidentiality, to consult stakeholders, and to report findings in the commission’s annual report before October 1, 2027. The bill was amended by the House Utilities Committee to revise the definition of “surplus interconnection service” to specify that the term means a portion of interconnection service that has not been used and is not expected to be needed. The Senate concurrence motion was approved unanimously by the full Senate, and it now moves to the Governor for his signature into law.
- Senate Bill 241 authorizes a conservancy district providing water service to withdraw from the jurisdiction of the IURC if the conservancy district serves less than 3,000 customers instead of 2,000 customers. This broadens the applicability of existing regulations to include more utility providers. SB 241 expands the definition and recoverability of “service enhancement improvements,” including chemical and power costs, and details procedures for their recalculation and inclusion in rate adjustments. New provisions allow utilities to recover 100% of certain costs without deferral and establish processes for recalculating and adjusting rates annually. The bill also mandates that economic development projects in rural areas must be supported while providing just and reasonable protection for existing ratepayers. Additional processes are included in the bill for adjusting utility rates based on changes in chemical and power costs. Language was added in the House Utilities Committee that prohibits a water or wastewater utility from charging or collecting a capacity related fee or a tap fee to an eligible customer for connecting workforce housing to the utility’s water or wastewater system under certain circumstances. It provides that if the utility determines that the extension of service to the workforce housing will not result in a positive contribution to the utility’s overall cost of service over a 20 year period, the utility may charge and collect from the eligible customer a capacity related fee or a tap fee that does not exceed the difference between the otherwise applicable capacity related fee or tap fee minus the contribution to the utility’s overall cost of service over a 20 year period that will result from the extension of service to the workforce housing. The bill provides that for purposes of these provisions, an “eligible customer” means a not-for-profit organization that has entered into an agreement with the Indiana Housing and

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Community Development Authority under which the person will construct workforce housing in Indiana and seeks to connect the workforce housing to the utility system under the terms of a special contract with the utility. The Senate concurrence motion was approved unanimously by the full Senate, and it now moves to the Governor for his signature into law.

- Senate Bill 258 concerns nuclear facility permitting. SB 258 repeals provisions in state statute that prohibit the construction or operation, or increasing output, of a nuclear facility without a permit from IDEM. It also repeals the requirement that the Environmental Rules Board (ERB) adopt rules regarding the issuance of a permit for and the operation of a nuclear facility. Additional language is repealed requiring IDEM to conduct public hearings on a proposed facility. The bill requires a person proposing to construct a nuclear facility to file with IDEM an environmental feasibility report concurrently with the filing of documents required to be filed with the United States Nuclear Regulatory Commission. SB 258 was signed into law by the Governor earlier this week.
- Please see this week's updated tracking list for additional information on these and other pieces of legislation.

