



LEGISLATIVE UPDATE

INDIANA COUNTY COMMISSIONERS

Meet the ICC Executive Team

- **Brian Baird, Johnson County - President**
- **Suzie Weirick, Elkhart County - Vice President**
- **Chris Switzer, Vigo County - Secretary**
- **Tracey Powell, Tipton County - Treasurer**
- **Kellie Streeter, Knox County - Past President**
- **Tyler Warman, Executive Director**

2025 Legislative Update

- **SEA 1 Overview**

- Signed into law April 15, 2025 (Gov. Braun)
- Impacts: Homeowners, agriculture, businesses, and local government revenue

SEA 1 Overview

- **Homesteads**

- 10% **Homestead Credit** (max \$300)
- Over 65 (\$150) & Disabled (\$125) – now credits instead of deductions
 - Over 65 income cap of \$60,000
- Standard Homestead Deduction phased out → gone by 2031
- Supplemental deduction grows to 2/3 AV by 2031

- **Agriculture**

- Cap rate temporarily raised to 9% for 2025–26 assessments
- Utility property (e.g. solar) on ag land excluded from ag tax base rate
- Helps align farm income with property tax liability

SEA 1 Overview

- **Local Government Finance**

- **Max levy growth** capped: 4% (2026), 2.9% (2028)
 - *Levy appeals only for natural disaster/annexation/emergency*
- Controlled Project controls apply to any project if county's total debt service rate exceeds .25 rate
- Fire Territories established in 2025 or after may not impose a rate over .40
- Any additional (established 2025 or after) fire rate which would increase LIT distribution must be approved by County Fiscal

SEA 1 Overview

- **Business Personal Property**
 - Exemption jumps to \$2M in 2026 (was \$80k before)
 - 30% floor removed for new depreciable property after Jan 1, 2025
 - *Exception: property in TIF districts stays under 30% rule*
- **New Property Tax Referenda Rules**
 - Only allowed at general elections

SEA 1 Overview

- **Local Income Tax (LIT)**

- 2028: County fiscal body takes over (LIT Councils eliminated)
- **Maximum LIT rate at 2.9%.** Within this rate, counties may adopt up to a:
 - 1.2% rate for the county general purpose revenue;
 - 0.4% rate for fire protection and emergency medical services;
 - 0.2% rate for nonmunicipal civil taxing unit general purpose revenue; and
 - 1.2% for certain cities and towns that are not eligible to adopt a municipal LIT rate.
 - These funds can be distributed to cities and towns with populations less than 3,500 residents.
 - Cities/towns $\geq 3,500$ pop. may add up to 1.2% on residents
- All county residents will pay county rate, and city/town rate will be applied to city/town residents in addition to county rate
- Distribution of LIT by Certified Shares is eliminated
- **LIT for Property Tax** and **Levy Freeze relief** is eliminated, but a new .3% rate is authorized to offset County property tax rate
- Bonds backed with LIT cannot exceed 25% of rate
- Starting in 2030, LIT rate has to be reauthorized annually

HEA1001 - State Budget

- Makes authorization for over \$45B in state expenditures
- Revenue projections came in over \$2B below expectation
- Cuts **Health First Indiana Funding** from \$150M in FY 2025 to only \$40M in each of FY 2026 and 2027
- Funds **behavioral health** at \$50M in FY 2026 and FY2027
- Increases **inmate per diem reimbursement** from \$37.50 to \$42/day
- Any CMHC with an employee (non-clinical) over \$400k ineligible to receive a distribution from property taxes or state funds
- Requires most state agencies to withhold 5% of budget

SEA425 - Energy & Zoning Policy

- Removes certain siting of electric generation projects in defined Energy Development Zones.
- Zones include locations where large scale (80MW) traditional generation exists, or on former coal mine property.
 - Specifically **excludes wind and solar zones**
- Limits local governments to a **maximum one-year moratorium** on certain new energy production projects. The moratorium cannot be renewed.
- Development agreements are subject only to the legal restrictions and ordinances that were in place at the time the agreement was finalized.
- **Existing local zoning ordinances and comprehensive plans are protected**

HB1461 - Road Funding

- Starting FY 2027, **CCMG** splits into two funds:
 - **\$100M Grant Fund** → works much like today
 - Lower 20% local match for counties under 55k population (was 25%)
 - **Direct Distribution Fund** → based on road miles, not a grant process
- Amount over scheduled distributions goes into Community Crossings Direct Distribution Fund for distribution based on road miles
 - Counties must have Wheel Tax/Surtax at minimum level to qualify starting in 2028.
 - Counties can still apply for CCMG grants on top of direct distribution.
- **MVH Flexibility:** Reduces required road spend from 50% → 40% if county maintains PASER 6 average.
- **Bridge Responsibility:** Counties responsible for 20-ft bridges, even without a cumulative bridge fund.

Additional Legislation

- **HEA1641** Allows an executive session to be held to communicate with an attorney, subject to the attorney client privilege.
 - Auditors are not required to be present in these meetings
- **SEA505** permits EMS personnel—including emergency medical responders, EMTs, advanced EMTs, and paramedics—to transport individuals to a health care, mental health, or urgent care facility, provided there is a written agreement in place outlining transport terms. It also allows for reimbursement of these transports.
- **HEA1051** allows county-operated EMS agencies, EMS provider organizations, and hospitals to qualify for a mobile integrated healthcare grant, provided they meet specific eligibility requirements.

2026 Legislative Insight

- Part-time elected officials & health insurance
- Energy matters / home rule
- Water & Environmental Issues
 - PFAS – possible action on testing / restrictions.
 - Septic systems – better track septic systems statewide, along with more discussion on permitting and management, especially in rural areas.
- SEA 1 fixes
- County banking matters



THANK YOU!

Shaping Indiana's Future: Legislative Updates & County Advocacy



Kellie Streeter
Knox County Commissioner



Jake German
Barnes & Thornburg



Sydnee Cseresznyes
Volt Strategies



Tracey Powell
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— **INDIANA** —
COUNTY
COMMISSIONERS

