

2026 Legislative Summary Relative to Planning/Zoning

Deborah Luzier, AICP | APA-IN Legislative Committee | March 31, 2026

SEA 179 – Shooting Ranges

The following regulations go into effect July 1, 2026. However, any local application or permit (planning/building) submitted prior to this date is not affected. They also do not apply to historic districts, floodplains, and mixed-use residential districts.

The purpose of these regulations is to ensure that existing shooting ranges (indoor/outdoor) may continue to operate and are not subject to any non-conforming provisions if they are modified. Also ensures that shooting ranges and sporting goods stores (spec. firearms sales) are permitted by right in certain districts and with certain conditions.

THINGS TO DO:

1. Update Use Tables and Development Standards in your ZO/UDO:

- a. “Retail Sporting Goods Store” must be permitted **by right with conditions** in commercial zoning districts (*except mixed-use commercial districts with residential components – there are caveats, so review your regs and definitions with the NEW IC 36-7-4.2 to see if they apply*). You may require a will-serve utility letter and an application fee. The following conditions must be met:
 - i. All federal and state laws regarding firearm safety, environmental controls, and occupational health shall be met.
- b. “Indoor Shooting Range” must be permitted **by right with conditions** in commercial, industrial, and agricultural zoning districts (*except mixed-use commercial districts with residential components – there are caveats, see the new definitions below*). You may require a will-serve utility letter and an application fee. To qualify as an indoor shooting range permitted by right, the following conditions must be met:
 - i. Walls, ceilings, floors, and backstops must be constructed with materials capable of containing all projectiles fired within the facility.
 - ii. Reasonable effort is made in the design, construction, and maintenance of the indoor shooting range to limit noise that could significantly impact adjacent properties.
 - iii. All federal and state laws regarding firearm safety, environmental controls, and occupational health shall be met.

2. Add/Update Definitions:

- a. INDOOR SHOOTING RANGE. A fully enclosed facility designed and operated for the discharge of firearms, equipped with a bullet resistant backstop, ventilation system, and sound attenuation measures to prevent the escape of projectiles, excessive noise, or airborne contaminants.
- b. MIXED-USE RESIDENTIAL. A development project that provides within a shared building or development area:
 - (1) residential uses, including multiple dwelling units; and
 - (2) nonresidential uses that:
 - (a) comprises less than fifty percent (50%) of the total square footage of the development; and
 - (b) are restricted to the first floor of any building consisting of at least two (2) stories.
- c. PERMITTED USE. As used in this bill, a use that is approved by a unit in a zoning district without the requirement of:
 - (1) a public hearing;
 - (2) a variance, special exception, contingent use, or conditional use; or
 - (3) other discretionary zoning action, other than a determination that a site plan conforms with applicable zoning regulations.
- d. RETAIL SPORTING GOODS STORE. A commercial retail store that is primarily engaged in retailing new sporting goods classified under the North American Industry Classification Code 451110 (sporting goods stores), including items such as:
 - (1) bicycles and bicycle parts;
 - (2) camping equipment;
 - (3) exercise and fitness equipment;
 - (4) athletic uniforms;
 - (5) specialty sports footwear;
 - (6) firearms; and
 - (7) other sporting goods, equipment, and accessories
- e. WILL-SERVE LETTER. A written document:
 - (1) issued by a water and sewer service provider to an owner or developer of a project or dwelling; and
 - (2) that states the provider is able and willing to provide water and sewer service to the project or dwelling subject to the conditions, if any, set forth in the document.

3. Review Procedures:

- a. Review and update your review processes to allow the maintenance, repair, renovation, and expansion of buildings associated with existing shooting ranges (indoor and outdoor). These are now explicitly considered continuations of a permitted use and cannot constitute an illegal expansion of a nonconforming use nor otherwise unduly delayed.

Detailed Bill Review:

- SECTION 1 – Local unit of government can regulate shooting ranges.
- SECTION 2 – NEW IC 14-22-31.5-8
 - An existing shooting range is considered the continuation of a permitted use and cannot be treated as non-conforming. Building/use improvements, maintenance, expansions, etc. are to be permitted without additional use approvals.
 - Permits shall be treated like any other similarly situated commercial/industrial/agricultural use without regard to goods or services or the status of any pending annexation. Pending annexation may not delay permit reviews.
- SECTION 3 – NEW IC 36-7-4.2
 - The definitions in IC 36-1-2 (municipal terminology) and IC 36-7-1 (planning and development terminology) apply.
 - These regulations do not apply to properties within historic districts (established under IC 36-7-11 thru 11.3); floodplains; or commercial areas allowing mixed-use residential projects. The mixed-use exclusion does not apply to:
 1. A shooting range already established and in operation before July 1, 2026;
 2. A shooting range already located on commercially zoned property before July 1, 2026;
 3. An indoor shooting range that was planned for construction after June 30, 2026, that happens to be on the site of a shooting range whose geographic boundaries were already established prior to July 1, 2026.
 - Creates definitions for indoor shooting range; mixed-use residential; permitted use; retail sporting goods store; and will-serve letter.
 - The following uses shall be permitted by right. A community cannot adopt or enforce more standards that conflict. All federal and state laws regarding firearm safety, environmental controls, and occupational health shall be met.
 1. Retail Sporting Goods Store: permitted on property zoned commercial. Community may require a will-serve letter and an application fee.
 2. Indoor Shooting Range: permitted on property zoned commercial, industrial, or agricultural. Community may require a will-serve letter and an application fee. The following conditions shall be met:

- Walls, ceilings, floors, and backstops must be constructed with materials capable of containing all projectiles fired within the facility.
 - Reasonable effort is made in the design, construction, and maintenance of the indoor shooting range to limit noise that could significantly impact adjacent properties.
- Existing ordinance language adopted before July 1, 2026, that conflicts with these regulations is void.
 - These standards do not apply to an application for a (planning/building) permit submitted prior to July 1, 2026.

HEA 1161 – Local Government Matters (i.e., PC/BZA Appointments)

The following regulations go into effect July 1, 2026.

We can assume that the purpose of these regulations is to ensure that appointing authorities (i.e. legislative bodies, city/town/county executives, other appointing authorities) have a level of control over their appointments to the PC and BZA in order to ensure that the administration's goals are carried out. We can assume that these regulations also apply to alternate members appointed by the same entities.

(Note – this bill addresses appointments to many different boards/commissions, so review the entirety of the language to see if this affects other aspects of your community.)

THINGS TO DO:

1. Update PC and BZA Membership (Rules and Procedures, Ordinances, etc.):

- a. If your documents address removal of PC members per IC 36-7-4-218, update them to note that: A member of the PC serves at the pleasure of the appointing authority so long as:
 - i. the officeholder who appointed the individual continues to hold the office;
or
 - ii. the board, committee, or body that appointed the individual retains all of the same members who served on the board, committee, or body when the individual was appointed.

If (1) or (2) do not apply, then the “for cause” and procedures outlined in statute still applies.

- b. If your documents address removal of BZA members per IC 36-7-4-906, update them to note that: A member of the BZA serves at the pleasure of the appointing authority so long as:
 - i. the officeholder who appointed the individual continues to hold the office;
or
 - ii. the board, committee, or body that appointed the individual retains all of the same members who served on the board, committee, or body when the individual was appointed.

If (1) or (2) do not apply, then the “for cause” and procedures outlined in statute still applies.

Detailed Bill Review:

- SECTION 16 – IC 36-7-4-218 - Advisory/Area Plan Commissions – A member can no longer be removed only “for cause.” Going forward, a member of the PC serves at the pleasure of the appointing authority so long as:
 - (1) the officeholder who appointed the individual continues to hold the office; or
 - (2) the board, committee, or body that appointed the individual retains all of the same members who served on the board, committee, or body when the individual was appointed.If (1) or (2) do not apply, then the “for cause” and procedures outlined in statute still applies.

- SECTION 17 – IC 36-7-4-906 - Advisory/Area BZAs – A member can no longer be removed only “for cause.” Going forward, a member of the BZA serves at the pleasure of the appointing authority so long as:
 - (1) the officeholder who appointed the individual continues to hold the office; or
 - (2) the board, committee, or body that appointed the individual retains all of the same members who served on the board, committee, or body when the individual was appointed.If (1) or (2) do not apply, then the “for cause” and procedures outlined in statute still applies.

HEA 1001 – Housing Matters

The following regulations have various effective dates as noted below. The entire Bill was declared as an emergency, so items without dates noted went into effect March 4, 2026.

The original objective of this Bill was to establish ways to reduce the cost of housing and increase housing supply. This Bill evolved significantly since it was originally introduced and while it missed the mark for what it tried to achieve, there are still some good points that should help our communities evaluate the effectiveness of their current ordinance and how we can make improvements to regulating the development of housing.

With regard to the new Reporting requirements, I spoke to the Indiana Housing and Community Development Authority (IHCDA), and they will be providing everyone with more guidance on this in the near future. They also indicated that they will be putting together an official template to use for reporting.

Sections with relatively minor changes but broad applicability:

SECTIONS 4-7 included last minute language that was added regarding Stormwater Quality and Management that caught many of us off guard and isn't related to the original goal of the Bill.

SECTION 8 regarding doing away with arc-fault circuit interrupters (AFCIs) in new construction may have an impact on housing cost, but inspectors also indicate that while they're designed to prevent fires, their sensitivity often causes nuisance tripping during normal operation of devices like vacuums or treadmills.

SECTION 9 prohibits emergency responder communications enhancement systems (ERCES) in Class 1 (commercial) structures. These improve emergency radio signal strength in large buildings and are included in the 2024 NFPA Fire Code.

SECTION 26 and 27 make changes to Residential Housing TIFs to create additional consistency with other types of TIF.

THINGS TO DO:

1. New Procedures:

- a. Housing Progress Report. Beginning January 1, 2027, annually send a “Housing Progress Report” to tpearson1@ihcda.in.gov and (Executive Director of IHCD) and george.angelone@iga.in.gov (Executive Director of the Legislative Services Agency).

The IHCD indicated that they plan to put together an online reporting system for this purpose. Stay tuned.

| 2027 Housing Progress Report |
|-------------------------------------|
| Planning Jurisdiction: |
| Governmental Unit: |
| Date of Report: January 1, 2027 |

Part 1 *(Required for units having planning/zoning)*

| Previous Year's Housing Data: 2026 | | |
|--|---|----------------------|
| A | Number of proposed residential housing units approved: | |
| B | Number of proposed residential housing units denied: | |
| C | Total number of proposed residential housing units received: | = A + B ¹ |
| D | Number of units lost to demolition: | |
| E | Number of units converted to non-residential use: | |
| F | Number of units lost to combining of units: | |
| G | Number of residential housing units lost to demolition, conversion to a non-residential use, or combining of units: | = D + E + F |
| H | Total NET new residential housing units: | = C - G |
| I | Total number of units that are entitled: | |
| J | Total number of units platted: | |
| K | Total number of units issued a permit: | |
| L | Total number of units that received a certificate of occupancy or completion: | |
| M | Total number of calendar days spent processing housing proposal applications: | |
| <i>1 - If A + B does not equal C, then provide information to explain the discrepancy.</i> | | |

Part 2 *(required for all units)*

| Income to Housing Cost Reporting: | | | | |
|--|---|--------------------|--------------------|------------------------------------|
| | | 2025 | 2026 | % Change |
| N | Average home sales price for the year: | | | $\% = (2026(N) - 2025(N))/2025(N)$ |
| O | Median home sales price for the year: | | | $\% = (2026(O) - 2025(O))/2025(O)$ |
| P | Median rent price year: | | | $\% = (2026(P) - 2025(P))/2025(P)$ |
| Number of Residential Dwelling Units Constructed and Occupied vs Median Income | | | | |
| | | 2025 | 2026 | |
| Q | Single-family | | | |
| R | Two-family | | | |
| S | Multi-family | | | |
| T | Median income for jurisdiction: | | | |
| U | 80% of the median income: | $= 2025(T) * 0.80$ | $= 2026(T) * 0.80$ | |
| V | 119% of the median income: | $= 2025(T) * 1.19$ | $= 2026(T) * 1.19$ | |
| W | 120% of the median income: | $= 2025(T) * 1.20$ | $= 2026(T) * 1.20$ | |
| X | How many new single-family dwelling units had a sale price less than 80% of the median income? | | | |
| Y | How many new single-family dwelling units had a sale price between 81% and 119% of the median income? | | | |
| Z | How many new single-family dwelling units had a sale price more than 120% of the median income? | | | |
| AA | How many new two-family dwelling units had a sale price less than 80% of the median income? | | | |
| BB | How many new two-family dwelling units had a sale price between 81% and 119% of the median income? | | | |
| CC | How many new two-family dwelling units had a sale price more than 120% of the median income? | | | |

- b. Ordinance Audit. Each unit must, by January 1, 2027, conduct a public hearing and send a Report to george.angelone@iga.in.gov (Executive Director of the Legislative Services Agency):
 - i. The public hearing must review the unit's ZO/UDOs (and other development rules) to see how the standards are impacting the goal of increasing housing development. Factors to be reviewed include:
 1. Providing for higher density development of duplexes, triplexes, and fourplexes in areas designated for single family homes.
 2. Constructing other housing types including accessory dwelling units and manufactured and modular housing.
 3. Adaptive reuse of commercial buildings for residential use such as allowing multifamily development in retail, office, and light manufacturing zones.
 4. Increasing the allowable floor area ratio in multifamily housing areas.
 5. Waiving or eliminating regulations such as requirements for garage size and placement; steeper roof pitch; minimum lot size and square footage; greater setbacks; off-street parking; design standards that restrict or prohibit the use of code compliant products; or property height limitations.
 6. Reviewing impact fee zones with zone advisory committee for improvements.
 7. Streamlining or shortening the permitting processes and timelines, including through one stop and parallel process permitting by fifteen (15) days or more.
 8. Using property tax abatements to enable higher density and mixed income communities.
 9. Donating vacant land for affordable housing development.
 - ii. The Report must contain:
 1. If you have invested in a housing study in or after 2021 or had a housing study performed by the region's local EDC, include a copy of the Study.
 2. The minutes from the public hearing conducted above.
 3. A description of any ZO/UDO amendments made as a result of the public hearing and review. It must include descriptions of how the factors listed above were used to support increased housing.

- c. Building Permit Fees and PC/BZA Application Fees.
 - i. If you've been thinking about updating your fees, 2026 is the time to do it!
 - ii. By December 31, 2026, do an audit of your calculation methodology for all fees to ensure they are no more than reasonably necessary to cover the costs to process an application, inspect and review plans, or prepare detailed statements for an applicant.
 - iii. Effective July 1, 2026, new building permit fees may not go into effect until 180 days after publication (used to be 90 days). Note that this still does not affect other development/planning fees.
 - iv. Effective July 1, 2026, any fees—building, planning, zoning, etc.—may only be increased once every 5 years. And increases are limited by the CPI (see SECTION 17 of the Bill (Chapter 2.3, Sec. 3(2)(B))). This applies to all fees, including those adopted prior to effective date
 - v. Effective January 1, 2027, fees collected shall be placed in a separate non-reverting fund dedicated to reimbursing the costs actually incurred.
 - vi. Effective July 1, 2026, if you can't review permits within 7 days of submission of a complete application or perform an inspection within 3 days of a request (see IC 36-7-2.5), any fees owed shall be forfeited and any fees already paid shall be refunded to the applicant.
- d. Complete Applications. Beginning January 1, 2027, if an application is “complete,” it must be granted if it meets the applicable standards and ordinances that were in place when the application was submitted.
 - i. Make sure your processes and procedures are clear on what a “complete” application involves.
 - ii. This clearly establishes that the rules in effect upon submission of a complete application applies, as opposed to the rules in effect upon issuance or other date.
 - iii. Be aware that the administrative parts of your ordinances are ministerial – not discretionary. If the application meets your standards, your staff or PC must approve it. This includes development plans and plats.
- e. Impact Fees. The collection of impact fees imposed after June 30, 2026, is conditional. (See SECTIONS 21-24 of this Bill)

2. Update Development Standards in your ZO/UDO and/or Drainage/Stormwater Ordinances:

- a. Compensatory Storage. Check your floodplain development standards for “compensatory storage.” Your ordinance may not require a person who intends to fill land in a floodplain to provide compensatory storage at a ratio greater than three (3) (mitigated land) to one (1) (filled land).
- b. Accessory Dwelling Units. Accessory dwelling units are self-contained units within or on the same lot as a single-family dwelling, and do not exceed 75% of the habitable area of the main dwelling or 1,000 sq. ft. (whichever is less). The term does not include a manufactured home.

3. Update Definitions:

These definitions were added for use in the Indiana Code. While there can be differences between local and state codes, our recommendation is that local ordinances be updated to reflect these definitions for the sake of consistency.

- a. ACCESSORY DWELLING UNIT. A self-contained living unit internal to or on the same lot or parcel as a single family dwelling that includes its own cooking, sleeping, and sanitation facilities; and complies with or is otherwise exempt from any applicable building codes, fire safety codes, and other public health and safety laws. The term does not include a manufactured home (as defined in IC 36-7-4-1106(b)) that is subject to the standards and requirements set forth in IC 36-7-4-1106.
- b. APPLICANT. A person who submits an application that requires a fee for approval of an application related to:
 - i. Construction or reconstruction of residential buildings; commercial buildings, industrial buildings; any other building or building space; or an appurtenance to a building described in herein; or
 - ii. zoning, development, subdivision, classification, or reclassification of land. This includes a fee designated as a permit fee (including a fee for a permit under IC 36-7-4-1109(f)), application fee, inspection fee, processing fee, or by another name.
- c. CLASS 1 STRUCTURE. A structure as defined in IC 22-12-1-4. (commercial/industrial structures)
- d. CLASS 2 STRUCTURE. A structure as defined in IC 22-12-1-5. (single and two-family structures)
- e. COMPENSATORY STORAGE. The artificial storage used to balance the loss of natural flood storage capacity as a result of placing fill material or other obstructions within a flood plain.

- f. HOMEOWNERS ASSOCIATION. A corporation or another entity as defined in IC 32-25.5-2-4.

Detailed Bill Review:

- SECTION 1 – Gives the Indiana Finance Authority (IFA) flexibility to set aside 70% of housing and infrastructure dollars for local units with a population of less than 50,000.
- SECTION 2 – NEW IC 5-20-1-28.5
 - Beginning January 1, 2027, local units with planning and zoning authority shall submit a “housing progress report” to the Indiana Housing and Community Development Authority (IHCD) and the Executive Director of the Legislative Services Agency in electronic format under IC 5-14-6. (Per IC 5-14-6-2, the report must be posted on the internet and cannot be submitted on paper.)
 - The Report must contain the following:
 1. Total number of proposed residential housing units
 2. Total number of proposed residential housing units approved
 3. Total number of proposed residential housing units denied
 4. Total number of NET new residential housing units (units received minus units lost)
 5. Total number of new housing units that are entitled, platted, issued a building permit, and received a certificate of occupancy.
 6. Calendar days spent by the local unit processing the housing proposal applications.

Note – if #2 and #3 do not equal #1, then provide explanation.

- SECTION 3 – NEW IC 5-20-1-29
 - Beginning January 1, 2027, local units shall annually submit the following information to the Indiana Housing and Community Development Authority and the Executive Director of the Legislative Services Agency in electronic format under IC 5-14-6. (Per IC 5-14-6-2, the report must be posted on the internet and cannot be submitted on paper.). For the report due January 1, 2027, the data reported shall be from 2025 and 2026.
 - The Report must contain the following:
 1. The average and median home sale prices and the year over year change.
 2. The median rent prices and year over year change.
 3. The number of residential dwelling units constructed and occupied in total and by type.
 4. The percentage of new residential dwelling units constructed that are listed at each of the following: <80% of median income; >80% to 119% of median income; >120% of median income

- The IHCDA must publish the data on their website and provide a regional comparison along with an evaluation of the outcome of housing legislation enacted during the 2026 legislative session.

○ **Snags and Issues with Reporting per SECTIONS 2 and 3:**

1. *The “planning jurisdiction” and the “unit” may be two different areas (for example, an Area Plan Commission oversees multiple units). Data for the first part of the report can be collected for the planning jurisdiction, but the second part of the report must represent the unit.*
2. *The submission of reports to the state on January 1 (a designated holiday) was brought up as a problem but not corrected. Plan on doing your final calculations on December 31st each year.*
3. *The number of housing units submitted, approved, and denied appears to be construction requests. However, it is not clear, and these might overlap with the other reported numbers.*
4. *If there are any permits received at the end of December and not approved/denied before January 1st, there will be a discrepancy in NET new units that will require a justification.*
5. *The average and median home sales prices can be calculated using the state-mandated Sales Disclosures. This data is available statewide from Stats Indiana (<https://www.stats.indiana.edu/topic/sdf.asp>), but it will require significant work to obtain the relevant information. Note that data is updated weekly but Assessor upload schedules vary.*
6. *There is zero guidance on how to obtain rent prices. This may require a process of calling apartment managers. Some apartment companies hold rents as proprietary information in order to prevent this type of reporting from the competition. Unsure how to obtain 2025 rent data or rental rates from private individuals, nor the legality of doing so.*
7. *The percentage of units constructed at each income bracket is not clearly worded. Assuming it is relative to the sales prices of single-family and two-family units. Hoping it will be clarified by the IHCDA.*

- SECTION 4 – NEW IC 13-14-1-19 – Requires the Indiana Department of Environmental Management (IDEM) to review its Stormwater Quality Management Manual.
- SECTION 5 – NEW IC 14-8-2-50.2 – The term “compensatory storage” has the meaning set forth in IC 14-28-3-9 (see SECTION 7 below)
- SECTION 6 – “Unit of local government” as defined in IC 14-8-2-289 is amended to include the purpose of applying IC 14-28-3-9 (see SECTION 7 below).
- SECTION 7 – NEW IC 14-28-3-9 – creates new definition and standards limitations for “compensatory storage.”

- SECTIONS 8 and 9 – Prohibition on State and local unit from imposing regulations requiring arc-fault circuit interrupters and emergency responder communications systems in Class 2 structures or R2 structures. Voids ordinances that were adopted prior to July 1, 2026.
- SECTIONS 10, 11, and 12 – amends IC 36-2-4-8 and IC 36-4-6-14 regarding the adoption, publication, effective date, and implementation of an ordinance:
 - An ordinance that prescribes a penalty or violation must be published in a newspaper and the county’s website.
 - An ordinance that increases a building permit fee on new development may not be implemented less than 180 days after the ordinance is published.
- SECTION 13 – NEW IC 36-7-1-1.5 adds definition for accessory dwelling unit.
- SECTION 14 – NEW IC 36-7-1-4.5 a “Class 1 structure” shall be as defined in IC 22-12-1-4.
- SECTION 15 – NEW IC 36-7-1-4.5 a “Class 2 structure” shall be as defined in IC 22-12-1-5.
- SECTION 16 – NEW IC 36-7-1-6.8 a “homeowners association” shall be as defined in IC 32-25.5-2-4.
- SECTION 17 – NEW IC 36-7-2.3 addresses general fees for building permits and PC/BZA applications.
 - Adds definition for applicant.
 - After December 31, 2026, fees may not be assessed in an amount that is more reasonably necessary to cover the costs to process an application, inspect and review plans, or prepare detailed statements for an applicant.
 - After January 1, 2027, fees may be increased once every 5 years and the amount has limitations based on the Consumer Price Index.
 - Fees shall be placed in a non-reverting fund and maintained as a separate line item. Funds cannot revert to the general fund or any other fund.
- SECTION 18 – NEW IC 36-7-2.5-23.5 applies penalties for not expediently reviewing permits for Class 2 structures (one and two-family residential structures and their accessory structures). If a complete application for a permit is not reviewed per the deadlines in IC 36-7-2.5, (more specifically IC 36-7-2.5-16 and 17 stating 7 days for permit review and 3 days for inspections), any fees that would be paid are forfeited and any fees already paid shall be refunded to the applicant.
- SECTIONS 19 and 20 – amends IC 36-7-4-1109 and 1109.4 regarding applications. After December 31, 2026, if an application is complete and meets the requirements in effect at the time of submission, approval must be granted. This includes building permits, zoning ordinances, zoning maps, and subdivision control ordinances.
- SECTIONS 21, 22, 23, and 24 – amends IC 36-7-4-1311 regarding impact fees.
 - The collection of new impact fees imposed after June 30, 2026, is conditional:
 1. There is a functional relationship between the components of the infrastructure in the impact zone;
 2. The infrastructure type provides uniform benefit throughout the impact zone;
 3. All areas in the impact zone are contiguous within a 5 mile area;

- 4. The impact zone is contiguous with a utility service.
 - Limitations on membership of the Impact Fee Advisory Committee.
- SECTION 25 – NEW IC 36-7-4.3 regarding increasing housing development.
 - By January 1, 2027, conduct a public hearing to audit the ZO/UDOs and other development rules to see how the standards are impacting the goal of increasing housing development. Review how ordinances are:
 1. Providing for higher density development of duplexes, triplexes, and fourplexes in areas designated for single family homes.
 2. Constructing other housing types including accessory dwelling units and manufactured and modular housing.
 3. Adaptive reuse of commercial buildings for residential use such as allowing multifamily development in retail, office, and light manufacturing zones.
 4. Increasing the allowable floor area ratio in multifamily housing areas.
 5. Waiving or eliminating regulations such as requirements for garage size and placement; steeper roof pitch; minimum lot size and square footage; greater setbacks; off-street parking; design standards that restrict or prohibit the use of code compliant products; or property height limitations.
 6. Reviewing impact fee zones with zone advisory committee for improvements.
 7. Streamlining or shortening the permitting processes and timelines, including through one stop and parallel process permitting by fifteen (15) days or more.
 8. Using property tax abatements to enable higher density and mixed income communities.
 9. Donating vacant land for affordable housing development.
 - By January 1, 2027, submit a Report to the Executive Director of Legislative Services Agency that contains the following:
 1. Have you invested in a housing study in or after 2021 or had a housing study performed by the region’s local EDC? If so, include a copy of the Study.
 2. The minutes from the public hearing conducted for ordinance audit.
 3. Provide a description of any ZO/UDO amendments made as a result of the public hearing/audit, with focus on the factors listed to be considered in the audit. *(Note that statute does not require amendments to be made or provide a deadline).*
- SECTIONS 26 and 27 – Amends IC 36-7-14-53 regarding residential housing development programs. Changes the date that housing development programs will cease as authorized under current law. Repeals certain housing development program requirements.
- SECTION 28 – Establishes an Interim Study Committee to study affordable housing on religiously owned property that is zoned for residential or commercial use (related to a specific section that was stripped from the bill).

- SECTION 29 – amends IC 36-7-18-16 regarding housing projects. Increases the amount a local housing authority can spend on affordable housing projects.
- SECTION 30 – amends IC 36-7-18-31 regarding the sale of bonds, notes, and warranties of the housing authority.
- SECTION 31 – An emergency is declared for this act. However, many sections have different effective dates, as outlined above.

HEA 1210 – Department of Local Government Finance

The following regulations go into effect July 1, 2026.

SECTION 229 of this bill prevents communities from prohibiting privately owned residential property from being used as a rental except where short-term rental units are involved.

SECTION 230 of this bill updates the definition of “short term rental” to differentiate them from a business with 2-10 guest rooms.

SECTION 232 amends the definition of “manufactured home” to include the term “mobile home” and vice-versa.

THINGS TO DO:

1. Update Development Standards in your ZO/UDO Ordinances:

- a. Review your ordinances to ensure that there are no regulations in place for any use that prohibit or restrict an owner of privately owned residential property from using the property as a rental property.
 - i. However, such regulations that were put in place before January 1, 2026, may continue until January 1, 2028.
 - ii. A short term rental ordinance adopted before January 1, 2018, in accordance with IC 36-1-24 is exempt from these provisions.

2. Add/Update Definitions:

- a. SHORT TERM RENTAL. Per amended IC 36-1-24-6, Sec. 6(a), update definition to say that, “the term does not include a private, owner occupied business with two (2) to ten (10) guest rooms where overnight accommodations and a morning meal are provided to the public for compensation and that is operated primarily as a business.”
 - b. MANUFACTURED HOME. Per amended IC 9-13-2-96(a), update definition to say that, “the term includes a mobile home (as defined in IC 9-13-2-103.2).
 - c. MOBILE HOME. Per amended IC 9-13-2-103.2, update definition to say that, “the term includes a manufactured home (as defined in 9-13-2-96(a)).
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Detailed Bill Review:

- SECTION 229 – NEW IC 36-1-20-3.6
 - A unit may not adopt or enforce regulations that prohibit/restrict private property owners from renting their property.
 - Building codes, inspections, and occupancy standards are not affected.
 - Regulations adopted before January 1, 2026, must come into compliance by January 1, 2028.
 - Short term rental ordinances adopted before January 1, 2018, are exempt from this section.
- SECTION 230 – IC 36-1-24-6, the definition of “short term rental” does not include businesses with 2-10 guest rooms offering a morning meal (bed and breakfast).
- SECTION 232 – IC 36-2-11-14.5, the definition of “manufactured home” includes “mobile home” and vice-versa.