

HOUSE BILL No. 1175

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-31; IC 36-7-9.

Synopsis: Repair of residential rental properties. Requires a landlord to repair or replace an essential item not later than 24 hours after being notified by a tenant that the tenant's rental unit is without certain essential services. Provides that a tenant may request an agency tasked with enforcing unsafe building provisions (enforcement authority) to conduct an inspection and replace or repair an essential item within 24 hours of the inspection. Authorizes the enforcement authority to replace or repair an essential item within 24 hours and to charge the landlord for certain costs and to order a \$500 civil penalty to be paid. Requires any civil penalties to be placed in a repair fund to be used for costs incurred by the enforcement authority to replace or repair an essential item. Establishes appeal procedures. Requires a rental agreement entered into after June 30, 2025, to include a provision allowing a tenant to be reimbursed for any deposits paid by the tenant and to terminate the rental agreement if certain repairs are not made within seven days. Allows a court to order that a tenant's regular rental payments are paid into an attorney trust account or to the clerk of the court during the pendency of an enforcement action brought by the tenant.

Effective: Upon passage; July 1, 2025.

Pryor

January 8, 2025, read first time and referred to Committee on Judiciary.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1175

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

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

1 SECTION 1. IC 32-31-5-8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 8. This section applies to a written rental**
4 **agreement between a landlord and tenant entered into after June**
5 **30, 2025. The written rental agreement shall include a provision**
6 **that in the event that the landlord fails to replace or repair an item**
7 **necessary to comply with IC 32-31-8-5(c)(2), IC 32-31-8-5(c)(4), or**
8 **IC 32-31-8-5(d) within seven (7) days after receiving notice of the**
9 **deficiency, the tenant has the right to be reimbursed for any**
10 **deposits placed on the dwelling unit and terminate the rental**
11 **agreement.**

12 SECTION 2. IC 32-31-8-5 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 5. (a) As used in this**
14 **section, "essential item" means an item, or one (1) or more parts**
15 **or components of an item, that:**

- 16 (1) is described in subsection (c)(4); and
- 17 (2) is:



- 1 **(A) used for; or**
 2 **(B) necessary to;**
 3 **the delivery of one (1) or more essential services to a rental**
 4 **unit.**
 5 **(b) As used in this section, "essential service" means:**
 6 **(1) electricity;**
 7 **(2) gas;**
 8 **(3) heat;**
 9 **(4) water; or**
 10 **(5) another service;**
 11 **needed for the safe and habitable occupation by a tenant of the**
 12 **tenant's rental unit.**
 13 **(c) A landlord shall do the following:**
 14 (1) Deliver the rental premises to a tenant in compliance with the
 15 rental agreement, and in a safe, clean, and habitable condition.
 16 (2) Comply with all health and housing codes applicable to the
 17 rental premises.
 18 (3) Make all reasonable efforts to keep common areas of a rental
 19 premises in a clean and proper condition.
 20 (4) Provide and maintain the following items in a rental premises
 21 in good and safe working condition, if provided on the premises
 22 at the time the rental agreement is entered into:
 23 (A) Electrical systems.
 24 (B) Plumbing systems sufficient to accommodate a reasonable
 25 supply of hot and cold running water at all times.
 26 (C) Sanitary systems.
 27 (D) Heating, ventilating, and air conditioning systems. A
 28 heating system must be sufficient to adequately supply heat at
 29 all times.
 30 (E) Elevators, if provided.
 31 (F) Appliances supplied as an inducement to the rental
 32 agreement.
 33 **(d) Subject to subsections (e) and (f), a landlord shall repair or**
 34 **replace an essential item not later than twenty-four (24) hours**
 35 **after being notified by a tenant that the rental unit is without one**
 36 **(1) or more essential services as a result of:**
 37 **(1) a malfunction in the essential item; or**
 38 **(2) the landlord's failure to otherwise maintain the essential**
 39 **item in good and safe working condition.**
 40 **(e) The twenty-four (24) hour period set forth in subsection (d)**
 41 **does not apply if:**
 42 **(1) the malfunction is the direct result of the tenant's**



1 commission of waste to the essential item or the rental unit; or
 2 (2) the landlord makes a good faith attempt within the
 3 twenty-four (24) hour period to repair or replace an essential
 4 item through:

5 (A) the landlord's own efforts; or

6 (B) the services of:

7 (i) a contractor; or

8 (ii) an employee or agent of the landlord;

9 and the landlord or person described in clause (B) is unable to
 10 begin or complete the needed repairs or replacement within
 11 the twenty-four (24) hour period.

12 (f) Subsection (d) does not:

13 (1) prohibit a landlord from interrupting, shutting off, or
 14 terminating one (1) or more essential services to a rental unit
 15 as needed:

16 (A) in an emergency;

17 (B) to make good faith repairs; or

18 (C) for construction; or

19 (2) require a landlord to pay for one (1) or more essential
 20 services provided to a rental unit if the landlord has not
 21 agreed to pay for the essential services under the rental
 22 agreement.

23 SECTION 3. IC 32-31-8-5.5 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2025]: **Sec. 5.5. Instead of, or prior to, bringing an action under**
 26 **section 6 of this chapter, a tenant may enforce an obligation of a**
 27 **landlord under this chapter by doing one (1) of the following:**

28 (1) Requesting an enforcement authority (as defined in
 29 IC 36-7-9-2) to make repairs to an essential item defined in
 30 section 5(a) of this chapter in accordance with IC 36-7-9-5.5.

31 (2) Terminating a rental agreement in accordance with
 32 IC 32-31-5-8.

33 SECTION 4. IC 32-31-8-6.5 IS ADDED TO THE INDIANA CODE
 34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 35 1, 2025]: **Sec. 6.5. (a) This section applies to an action filed under**
 36 **section 6 of this chapter, after June 30, 2025.**

37 (b) During the pendency of an action, if a tenant continues to
 38 occupy the rental unit upon which the action is based, the court
 39 may issue a provisional order that the tenant make the regular
 40 rental payments due under the rental agreement to:

41 (1) the clerk of the court, who shall hold the payments in a
 42 trust; or



1 **(2) an attorney trust account.**
 2 **The funds held under this subsection may not be disbursed without**
 3 **a court order.**

4 **(c) If a tenant is the prevailing party, the tenant is entitled to a**
 5 **refund of rental payments made under subsection (b). The court**
 6 **shall determine the amount of the refund by considering:**

7 **(1) the estimated cost of repairs or other action necessary to**
 8 **remedy the condition that was the basis of the tenant's action;**

9 **(2) expenses incurred by the tenant to remedy the condition**
 10 **that was the basis of the tenant's action;**

11 **(3) efforts by the landlord before and after the filing of the**
 12 **tenant's action to remedy the condition that was the basis of**
 13 **the tenant's action; and**

14 **(4) any other factors that justice may require.**

15 **The court may reduce the amount of funds to be awarded to the**
 16 **tenant if the court determines that the tenant contributed to the**
 17 **condition of noncompliance that formed the basis of the action.**

18 **(d) If a landlord is the prevailing party:**

19 **(1) the landlord is entitled to receive the rental payments**
 20 **made under subsection (b) to be credited against the amount**
 21 **of the regular rental payments due by the tenant under the**
 22 **parties' rental agreement; and**

23 **(2) the court may reduce the amount of funds to be awarded**
 24 **to the landlord if the court determines that the landlord's**
 25 **failure to comply with one (1) or more requirements under**
 26 **this chapter contributed to the condition of noncompliance**
 27 **that formed the basis of the action.**

28 **(e) The court shall issue an order directing the disbursement of**
 29 **funds under either subsection (c) or (d).**

30 SECTION 5. IC 36-7-9-5, AS AMENDED BY P.L.247-2015,
 31 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2025]: Sec. 5. (a) The enforcement authority may issue an
 33 order requiring action relative to any unsafe premises, including:

34 (1) vacating of an unsafe building;

35 (2) sealing an unsafe building against intrusion by unauthorized
 36 persons, in accordance with a uniform standard established by
 37 ordinance;

38 (3) extermination of vermin in and about the unsafe premises;

39 (4) removal of trash, debris, fire hazardous material, or a public
 40 health hazard in and about the unsafe premises;

41 (5) repair or rehabilitation of an unsafe building to bring it into
 42 compliance with standards for building condition or maintenance



1 required for human habitation, occupancy, or use by a statute, a
2 rule adopted under IC 4-22-2, or an ordinance;

3 (6) demolition and removal of part of an unsafe building;

4 (7) demolition and removal of an unsafe building if:

5 (A) the general condition of the building warrants removal; or

6 (B) the building continues to require reinspection and
7 additional abatement action after an initial abatement action
8 was taken pursuant to notice and an order; ~~and~~

9 (8) requiring, for an unsafe building that will be sealed for a
10 period of more than ninety (90) days:

11 (A) sealing against intrusion by unauthorized persons and the
12 effects of weather;

13 (B) exterior improvements to make the building compatible in
14 appearance with other buildings in the area; and

15 (C) continuing maintenance and upkeep of the building and
16 premises;

17 in accordance with standards established by ordinance; **and**

18 **(9) providing for the replacement or repair of an essential**
19 **item (as defined in IC 32-31-8-5(a)) and assessing costs and a**
20 **civil penalty in accordance with section 5.5 of this chapter.**

21 Notice of the order must be given under section 25 of this chapter. The
22 ordered action must be reasonably related to the condition of the unsafe
23 premises and the nature and use of nearby properties. The order
24 supersedes any permit relating to building or land use, whether that
25 permit is obtained before or after the order is issued.

26 (b) The order must contain the following:

27 (1) The name of the person to whom the order is issued.

28 (2) The legal description or address of the unsafe premises that
29 are the subject of the order.

30 (3) The action that the order requires.

31 (4) The period of time in which the action is required to be
32 accomplished, measured from the time when the notice of the
33 order is given.

34 (5) If a hearing is required, a statement indicating the exact time
35 and place of the hearing, and stating that person to whom the
36 order was issued is entitled to appear at the hearing with or
37 without legal counsel, present evidence, cross-examine opposing
38 witnesses, and present arguments.

39 (6) If a hearing is not required, a statement that an order under
40 subsection (a)(2), (a)(3), (a)(4), ~~or~~ (a)(5), **or (a)(9)** becomes final
41 ten (10) days after notice is given, unless a hearing is requested
42 in writing by a person holding a fee interest, life estate interest, or



- 1 equitable interest of a contract purchaser in the unsafe premises,
 2 and the request is delivered to the enforcement authority before
 3 the end of the ten (10) day period.
- 4 (7) A statement briefly indicating what action can be taken by the
 5 enforcement authority if the order is not complied with.
- 6 (8) A statement indicating the obligation created by section 27 of
 7 this chapter relating to notification of subsequent interest holders
 8 and the enforcement authority.
- 9 (9) The name, address, and telephone number of the enforcement
 10 authority.
- 11 (10) A statement that the hearing authority may determine the
 12 property to be abandoned as provided in IC 36-7-37.
- 13 (c) **Except as provided by section 5.5 of this chapter**, the order
 14 must allow a sufficient time, of at least ten (10) days, but not more than
 15 sixty (60) days, from the time when notice of the order is given, to
 16 accomplish the required action. If the order allows more than thirty
 17 (30) days to accomplish the action, the order may require that a
 18 substantial beginning be made in accomplishing the action within thirty
 19 (30) days.
- 20 (d) The order expires two (2) years from the day the notice of the
 21 order is given, unless one (1) or more of the following events occurs
 22 within that two (2) year period:
- 23 (1) A complaint requesting judicial review is filed under section
 24 8 of this chapter.
- 25 (2) A contract for action required by the order is let at public bid
 26 under section 11 of this chapter.
- 27 (3) A civil action is filed under section 17 of this chapter.
- 28 (e) If the order contains a statement under subsection (a)(6) or
 29 (a)(7), notice of the order shall be given to each person with a known
 30 or recorded substantial property interest.
- 31 SECTION 6. IC 36-7-9-5.5 IS ADDED TO THE INDIANA CODE
 32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 33 1, 2025]: **Sec. 5.5. (a) If a tenant reports that a landlord has not
 34 repaired an essential item (as defined in IC 32-31-8-5(a)) within
 35 twenty-four (24) hours, the tenant may submit a request, in a
 36 manner prescribed by the enforcement authority, not later than
 37 forty-eight (48) hours after the expiration of the twenty-four (24)
 38 hour time frame described in IC 32-31-8-5(d). If the enforcement
 39 authority receives a request from a tenant under this section, the
 40 enforcement authority shall inspect the premises not later than
 41 twenty-four (24) hours after the receipt of the request. If the
 42 enforcement authority determines that a landlord has not complied**



1 with IC 32-31-8-5(d), except as provided in section 7(a) of this
 2 chapter, the enforcement authority shall immediately contract to
 3 commence replacement or repair of the essential item not later
 4 than twenty-four (24) hours after the inspection and is liable for
 5 costs of the replacement or repair of an essential item in
 6 accordance with section 12 of this chapter. In addition, the
 7 enforcement authority may issue to the landlord a civil penalty not
 8 to exceed five hundred dollars (\$500). A civil penalty issued under
 9 this section must be deposited in a fund established under
 10 subsection (b).

11 (b) The enforcement authority shall establish in its operating
 12 budget a fund designated as the residential rental unit repair fund.
 13 Any balance remaining at the end of a fiscal year shall be carried
 14 over in the fund for the following year and does not revert to the
 15 general fund. Civil penalties collected under subsection (a) shall be
 16 deposited in the fund. The fund may be used for the expenses
 17 incurred in carrying out the purposes of this section, including:

- 18 (1) the cost of obtaining reliable information about the
- 19 identity and location of each person who owns a substantial
- 20 property interest in unsafe premises;
- 21 (2) the cost of making repairs or the bid price of a contractor
- 22 to make the repairs;
- 23 (3) administrative costs to carry out this section; and
- 24 (4) costs associated with conducting a hearing under section
- 25 7 of this chapter.

26 SECTION 7. IC 36-7-9-7, AS AMENDED BY P.L.247-2015,
 27 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2025]: Sec. 7. (a) A hearing must be held relative to each
 29 order of the enforcement authority, except for an order issued under
 30 section 5(a)(2), 5(a)(3), 5(a)(4), 5(a)(5), **5(a)(9)**, or 7.5 of this chapter.
 31 An order issued under section 5(a)(2), 5(a)(3), 5(a)(4), 5(a)(5), or 7.5
 32 of this chapter becomes final ten (10) days after notice is given, unless
 33 a hearing is requested before the ten (10) day period ends by a person
 34 holding a fee interest, life estate interest, mortgage interest, or equitable
 35 interest of a contract purchaser in the unsafe premises. The hearing
 36 shall be conducted by the hearing authority. **A landlord may request**
 37 **a hearing for an order issued under section 5(a)(9) of this chapter**
 38 **before the enforcement authority commences to make a**
 39 **replacement or repair of an essential item in accordance with**
 40 **section 5.5 of this chapter. If a landlord requests a hearing**
 41 **pertaining to the enforcement of section 5.5 of this chapter, the**
 42 **enforcement authority may not commence with the replacement or**



1 **repair of an essential item (as defined in IC 32-31-8-5(a)) until the**
2 **hearing authority issues findings under this section.**

3 (b) The hearing shall be held on a business day no earlier than ten
4 (10) days after notice of the order is given. The hearing authority may,
5 however, take action at the hearing, or before the hearing if a written
6 request is received by the enforcement authority not later than five (5)
7 days after notice is given, to continue the hearing to a business day not
8 later than fourteen (14) days after the hearing date shown on the order.
9 Unless the hearing authority takes action to have the continued hearing
10 held on a definite, specified date, notice of the continued hearing must
11 be given to the person to whom the order was issued at least five (5)
12 days before the continued hearing date, in the manner prescribed by
13 section 25 of this chapter. If the order being considered at the
14 continued hearing was served by publication, it is sufficient to give
15 notice of the continued hearing by publication unless the enforcement
16 authority has received information in writing that enables it to make
17 service under section 25 of this chapter by a method other than
18 publication.

19 (c) The person to whom the order was issued, any person having a
20 substantial property interest in the unsafe premises that are the subject
21 of the order, or any other person with an interest in the proceedings
22 may appear in person or by counsel at the hearing. Each person
23 appearing at the hearing is entitled to present evidence, cross-examine
24 opposing witnesses, and present arguments.

25 (d) At the conclusion of any hearing at which a continuance is not
26 granted, the hearing authority may make findings and take action to:

27 (1) affirm the order;

28 (2) rescind the order; or

29 (3) modify the order, but unless the person to whom the order was
30 issued, or counsel for that person, is present at the hearing, the
31 hearing authority may modify the order in only a manner that
32 makes its terms less stringent.

33 (e) In addition to affirming the order, in those cases in which the
34 hearing authority finds that there has been a willful failure to comply
35 with the order, the hearing authority may impose a civil penalty in an
36 amount not to exceed five thousand dollars (\$5,000). The effective date
37 of the civil penalty may be postponed for a reasonable period, after
38 which the hearing authority may order the civil penalty reduced or
39 stricken if the hearing authority is satisfied that all work necessary to
40 fully comply with the order has been done. For purposes of an appeal
41 under section 8 of this chapter or enforcement of an order under section
42 17 of this chapter, action of the hearing authority is considered final



1 upon the affirmation of the order, even though the hearing authority
2 may retain jurisdiction for the ultimate determination related to the
3 civil penalty. In the hearing authority's exercise of continuing
4 jurisdiction, the hearing authority may, in addition to reducing or
5 striking the civil penalty, impose one (1) or more additional civil
6 penalties in an amount not to exceed five thousand dollars (\$5,000) per
7 civil penalty. An additional civil penalty may be imposed if the hearing
8 authority finds that:

9 (1) significant work on the premises to comply with the affirmed
10 order has not been accomplished; and

11 (2) the premises have a negative effect on property values or the
12 quality of life of the surrounding area or the premises require the
13 provision of services by local government in excess of the
14 services required by ordinary properties.

15 The hearing authority may not impose an additional civil penalty in a
16 hearing to review a civil penalty imposed by the enforcement authority
17 under section 7.5 of this chapter.

18 (f) If, at a hearing, a person to whom an order has been issued
19 requests an additional period to accomplish action required by the
20 order, and shows good cause for this request to be granted, the hearing
21 authority may grant the request. However, as a condition for allowing
22 the additional period, the hearing authority may require that the person
23 post a performance bond to be forfeited if the action required by the
24 order is not completed within the additional period.

25 (g) If an order is affirmed or modified, the hearing authority shall
26 issue a continuous enforcement order (as defined in section 2 of this
27 chapter).

28 (h) The board or commission having control over the department
29 shall, at a public hearing, after having given notice of the time and
30 place of the hearing by publication in accordance with IC 5-3-1, adopt
31 a schedule setting forth the maximum amount of performance bonds
32 applicable to various types of ordered action. The hearing authority
33 shall use this schedule to fix the amount of the performance bond
34 required under subsection (f).

35 (i) The record of the findings made and action taken by the hearing
36 authority at the hearing shall be available to the public upon request.
37 However, neither the enforcement authority nor the hearing authority
38 is required to give any person notice of the findings and action.

39 (j) If a civil penalty under subsection (e) is unpaid for more than
40 fifteen (15) days after payment of the civil penalty is due, the civil
41 penalty may be collected from any person against whom the hearing
42 officer assessed the civil penalty or fine. A civil penalty or fine may be



1 collected under this subsection in the same manner as costs under
2 section 13 or 13.5 of this chapter. The amount of the civil penalty or
3 fine that is collected shall be deposited in the unsafe building fund.
4 SECTION 8. **An emergency is declared for this act.**

