

HOUSE BILL No. 1328

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-31-8; IC 36-1-20-6.

Synopsis: Landlord-tenant matters. For purposes of a residential rental unit, defines: (1) "essential services" as certain utility services needed for the safe and habitable occupation by a tenant of the tenant's rental unit; and (2) "essential systems" as certain systems used to deliver essential services to a rental unit. Requires a landlord to repair or replace an essential system not later than 48 hours after being notified by a tenant that the tenant's rental unit is without essential services as a result of: (1) a malfunction in the essential system; or (2) the landlord's failure to maintain the system in good and safe working condition. Requires a landlord to pay all penalties or fines imposed by a political subdivision for violation of the landlord's obligations with regard to a rental premises. Requires a landlord to pay all penalties or fines and make all repairs required by a political subdivision before the landlord may deliver the rental premises to a tenant. Provides that a tenant may enforce a statutory obligation of a landlord by: (1) providing 30 days notice to the landlord of the landlord's noncompliance with the obligation; and (2) if the landlord fails to make the repairs necessary to remedy the noncompliance, withholding from the next regular rental payment the estimated cost of the repairs and using the amount withheld to make the repairs. Provides that, during the pendency of a court action brought by a tenant to enforce a statutory obligation of a landlord, the court may order the tenant to make the regular rental payments otherwise due to the landlord under the rental agreement to: (1) the clerk of the court; or (2) an attorney trust account; to be held in trust for disbursement to the prevailing party, as ordered by the court.

Effective: July 1, 2025.

Bauer M, Errington

January 13, 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. 1328

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 32-31-8-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. **(a) As used in this**
3 **section, "essential services" means:**
4 **(1) electricity;**
5 **(2) gas;**
6 **(3) heat;**
7 **(4) water; or**
8 **(5) other services;**
9 **needed for the safe and habitable occupation by a tenant of the**
10 **tenant's rental unit.**
11 **(b) As used in this section, "essential system" means a system,**
12 **or one (1) or more parts or components of a system, that:**
13 **(1) is described in subsection (c)(4); and**
14 **(2) is:**
15 **(A) used for; or**
16 **(B) necessary to;**
17 **the delivery of one (1) or more essential services to a rental**



- 1 **unit.**
 2 **(c) A landlord shall do the following:**
 3 (1) Deliver the rental premises to a tenant in compliance with the
 4 rental agreement, and in a safe, clean, and habitable condition.
 5 (2) Comply with all health and housing codes applicable to the
 6 rental premises.
 7 (3) Make all reasonable efforts to keep common areas of a rental
 8 premises in a clean and proper condition.
 9 (4) Provide and maintain the following items in a rental premises
 10 in good and safe working condition, if provided on the premises
 11 at the time the rental agreement is entered into:
 12 (A) Electrical systems.
 13 (B) Plumbing systems sufficient to accommodate a reasonable
 14 supply of hot and cold running water at all times.
 15 (C) Sanitary systems.
 16 (D) Heating, ventilating, and air conditioning systems. A
 17 heating system must be sufficient to adequately supply heat at
 18 all times.
 19 (E) Elevators, if provided.
 20 (F) Appliances supplied as an inducement to the rental
 21 agreement.
 22 **(5) Pay all penalties or fines imposed by a political subdivision**
 23 **for violation of an obligation under this section with regard to**
 24 **a rental premises. A landlord may not deliver a rental**
 25 **premises to a tenant until all penalties or fines are paid and all**
 26 **repairs required by the political subdivision are completed.**
 27 **(d) Subject to subsections (e) and (f), a landlord shall repair or**
 28 **replace an essential system not later than forty-eight (48) hours**
 29 **after being notified by a tenant that the tenant's rental unit is**
 30 **without one (1) or more essential services as a result of:**
 31 **(1) a malfunction in the essential system; or**
 32 **(2) the landlord's failure to otherwise maintain the essential**
 33 **system in good and safe working condition.**
 34 **(e) The forty-eight (48) hour period set forth in subsection (d)**
 35 **does not apply if:**
 36 **(1) the tenant's rental unit is without one (1) or more essential**
 37 **services because:**
 38 **(A) there is a malfunction in an essential system; and**
 39 **(B) the malfunction is the direct result of the tenant's**
 40 **commission of waste to the essential system or the rental**
 41 **unit; or**
 42 **(2) the landlord makes a good faith attempt within the**



1 **forty-eight (48) hour period set forth in subsection (d) to**
 2 **undertake the needed repairs to, or replacement of, an**
 3 **essential system through:**

4 **(A) the landlord's own efforts; or**

5 **(B) the services of:**

6 **(i) a contractor; or**

7 **(ii) an employee or agent of the landlord;**

8 **and the landlord or person described in clause (B) is unable to**
 9 **begin or complete the needed repairs or replacement within**
 10 **the forty-eight (48) hour period set forth in subsection (d).**

11 **(f) Subsection (d) does not:**

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

15 **(A) in an emergency;**

16 **(B) to make good faith repairs; or**

17 **(C) for construction; or**

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

21 SECTION 2. IC 32-31-8-5.5 IS ADDED TO THE INDIANA CODE
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 23 1, 2025]: **Sec. 5.5. (a) In addition to, or instead of, bringing an**
 24 **action under section 6 of this chapter, a tenant may enforce an**
 25 **obligation of a landlord under this chapter by doing the following:**

26 **(1) Delivering to the landlord, at least thirty (30) days before**
 27 **the tenant's next regular rental payment is due under the**
 28 **rental agreement, a written notice that includes the following:**

29 **(A) A statement of the nature of the landlord's alleged**
 30 **failure to comply with one (1) or more requirements of this**
 31 **chapter.**

32 **(B) A good faith estimate of the cost of any repairs or other**
 33 **actions necessary to remedy the conditions resulting from**
 34 **the landlord's alleged failure to comply.**

35 **(C) A statement that, if the landlord fails to make the**
 36 **repairs or take the actions identified under clause (B)**
 37 **before the tenant's next regular rental payment is due**
 38 **under the rental agreement, the tenant intends to:**

39 **(i) withhold from the tenant's next regular rental**
 40 **payment due under the rental agreement the estimated**
 41 **cost of the repairs or other actions identified under**
 42 **clause (B); and**



1 (ii) use the money withheld to make the repairs or take
2 the actions necessary to remedy the conditions identified
3 under clause (B).

4 A tenant shall deliver a notice under this subdivision to the
5 person authorized to act as agent for the owner under
6 IC 32-31-3-18(a)(2) at the address required to be disclosed for
7 that person under IC 32-31-3-18(a).

8 (2) Subject to subsection (b):

9 (A) withholding from the tenant's next regular rental
10 payment due under the rental agreement following
11 delivery of the notice under subdivision (1), the estimated
12 cost of the repairs or other actions identified under
13 subdivision (1)(B); and

14 (B) using the money withheld to make the repairs or take
15 the actions necessary to remedy the conditions identified
16 under subdivision (1)(B);

17 if the landlord fails or refuses to make the repairs or take the
18 actions necessary to remedy the condition described in the
19 tenant's notice under subdivision (1) before the due date of the
20 tenant's next regular rental payment following delivery of the
21 notice under subdivision (1).

22 (b) A tenant:

23 (1) may not take any action described in subsection (a)(2) if
24 the tenant prevents the landlord from having reasonable
25 access to the rental premises to make any repairs or take any
26 action necessary to remedy the condition described in the
27 tenant's notice under subsection (a)(1) before the due date of
28 the tenant's next regular rental payment following delivery of
29 the notice under subsection (a)(1); and

30 (2) shall refund to the landlord any amount withheld under
31 subsection (a)(2)(A) that exceeds the actual costs incurred by
32 the tenant in making any repairs or taking any actions under
33 subsection (a)(2)(B), by including the excess amount in the
34 next rental payment due under the rental agreement following
35 completion of the repairs or other actions under subsection
36 (a)(2)(B). If no rental payments are due under the rental
37 agreement following completion of the repairs or other
38 actions under subsection (a)(2)(B), the landlord may withhold
39 the amount of the excess from any security deposit due to the
40 tenant under IC 32-31-3.

41 A tenant is not entitled to withhold from subsequent rental
42 payments due under the rental agreement, or otherwise demand



1 from the landlord, any amounts incurred by the tenant in making
 2 any repairs or taking any actions under subsection (a)(2)(B) that
 3 exceed the cost estimates for the repairs or actions set forth in
 4 subsection (a)(1)(B).

5 SECTION 3. IC 32-31-8-6.5 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2025]: Sec. 6.5. (a) This section applies to an action that is filed
 8 under section 6 of this chapter after June 30, 2025.

9 (b) During the pendency of an action to which this section
 10 applies, if the tenant continues to occupy the rental unit upon
 11 which the action is based, the court may issue a provisional order
 12 that requires the tenant to make regular rental payments otherwise
 13 due to the landlord under the rental agreement to:

- 14 (1) the clerk of the court, who shall hold the payments in trust
 15 for the parties; or
 16 (2) an attorney trust account;

17 as directed by the court. The funds held by the clerk or in an
 18 attorney trust account under this subsection may not be disbursed
 19 unless the court issues an order for their disbursement.

20 (c) Subject to subsection (e), if the tenant is the prevailing party
 21 in the action under section 6 of this chapter, the tenant is entitled
 22 to a refund of payments made under an order issued by the court
 23 under subsection (b). The amount of the refund:

- 24 (1) shall be determined by the court after taking into
 25 consideration:

26 (A) the estimated cost of any repairs or other action
 27 necessary to remedy the condition that was the basis of the
 28 tenant's action under section 6 of this chapter;

29 (B) any expenses incurred by the tenant in undertaking any
 30 repairs or other action necessary to remedy the condition
 31 that was the basis of the tenant's action under section 6 of
 32 this chapter;

33 (C) any efforts undertaken by the landlord before or after
 34 the filing of the tenant's action under section 6 of this
 35 chapter to remedy the condition that was the basis of the
 36 tenant's action under section 6 of this chapter; and

37 (D) any other factors that justice may require; and

- 38 (2) shall be disbursed to the tenant upon order of the court.

39 (d) Subject to subsection (e), if the tenant is not the prevailing
 40 party in the action under section 6 of this chapter, the tenant is not
 41 entitled to a refund of any rental payments made under an order
 42 issued by the court under subsection (b), and any amounts held in



1 trust by the clerk of the court or in an attorney trust fund shall,
 2 upon order of the court, be disbursed to the landlord and credited
 3 against the amount of the regular rental payments due to the
 4 landlord under the rental agreement during the pendency of the
 5 action.

6 (e) The court may reduce the amount of:

7 (1) a refund to be disbursed to a tenant in an order under
 8 subsection (c), if the court determines that the tenant
 9 contributed in any way to the necessity of repairs or other
 10 action needed to remedy the condition that was the basis of
 11 the tenant's action under section 6 of this chapter; or

12 (2) any amounts to be disbursed to a landlord in an order
 13 under subsection (d), if the court determines that the
 14 landlord's failure to comply with one (1) or more of the
 15 requirements of this chapter contributed in any way to the
 16 necessity of repairs or other action needed to remedy the
 17 condition that was the basis of the tenant's action under
 18 section 6 of this chapter;

19 as justice may require.

20 SECTION 4. IC 36-1-20-6, AS ADDED BY P.L.193-2014,
 21 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2025]: Sec. 6. (a) This chapter does not prevent a political
 23 subdivision from imposing and collecting a penalty for an act or
 24 omission that is a nuisance or violation of the political subdivision's
 25 enforceable ordinances or codes, subject to subsection (b).

26 (b) A penalty permitted under subsection (a) may not be imposed
 27 until after:

28 (1) reasonable notice of the nuisance or violation has been given
 29 to the owner or the owner's designee;

30 (2) passage of a reasonable time, which must be stated in the
 31 notice, for the nuisance or violation to be cured; and

32 (3) failure of the nuisance or violation to be cured within the time
 33 stated in the notice.

34 (c) An owner or the owner's designee must pay all penalties
 35 assessed by the political subdivision for violation of an obligation
 36 under IC 32-31-8-5 with regard to a rental premises. All penalties
 37 must be paid and all repairs required by the political subdivision
 38 must be made before delivering the rental premises to a tenant.

