



February 23, 2024

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# ENGROSSED HOUSE BILL No. 1387

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DIGEST OF HB 1387 (Updated February 22, 2024 11:12 am - DI 87)

**Citations Affected:** IC 5-1.2; IC 36-7.

**Synopsis:** Housing development. Makes various changes to the residential housing infrastructure assistance program. Expands the definition of "economic development facilities" applicable to the economic development and pollution control statutes to include facilities for housing for purposes of redevelopment commission programs outside Indianapolis for age-restricted housing or residential housing development. Makes a technical correction.

**Effective:** July 1, 2024.

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## Miller D, O'Brien, Jordan

(SENATE SPONSOR — ROGERS)

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January 11, 2024, read first time and referred to Committee on Government and Regulatory Reform.

January 23, 2024, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

January 30, 2024, reported — Do Pass.

February 1, 2024, read second time, ordered engrossed. Engrossed.

February 5, 2024, read third time, passed. Yeas 96, nays 2.

### SENATE ACTION

February 12, 2024, read first time and referred to Committee on Local Government.

February 22, 2024, reported favorably — Do Pass.

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EH 1387—LS 7059/DI 129





February 23, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1387

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

- 1 SECTION 1. IC 5-1.2-15.5-4.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2024]: **Sec. 4.5. As used in this chapter,**  
4 **"political subdivision" has the meaning set forth in IC 5-1.2-2-57.**  
5 SECTION 2. IC 5-1.2-15.5-10, AS ADDED BY P.L.204-2023,  
6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2024]: Sec. 10. Loans from the fund must be allocated and  
8 made available to participants as follows:  
9 (1) Seventy percent (70%) of the money in the fund must be used  
10 for housing infrastructure ~~in municipalities~~ **benefitting political**  
11 **subdivisions** with a population of less than fifty thousand  
12 (50,000).  
13 (2) Thirty percent (30%) of the money in the fund must be used  
14 for housing infrastructure in all other political subdivisions not  
15 described in subdivision (1).  
16 SECTION 3. IC 5-1.2-15.5-14, AS ADDED BY P.L.204-2023,  
17 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

**EH 1387—LS 7059/DI 129**



1 JULY 1, 2024]: Sec. 14. (a) The authority shall develop and use a  
2 priority ranking system in making loans from the fund.

3 (b) The ranking system must prioritize making loans for eligible  
4 projects to participants that:

5 (1) have:

6 (A) invested in a housing study within the last five (5) years;

7 (B) had a housing study performed by a region's local  
8 economic development organization; or

9 (C) demonstrated the need for housing inventory as indicated  
10 by the Indiana state housing dashboard;

11 (2) have voluntarily revised unified development ordinances,  
12 zoning regulations, or other land development rules to allow for:

13 (A) higher density development;

14 (B) construction of other housing types including accessory  
15 dwelling units and manufactured and modular housing;

16 (C) adaptive reuse of commercial buildings for residential use;

17 or

18 (D) waiver or elimination of regulations such as requirements  
19 for:

20 (i) garage size and placement;

21 (ii) steeper roof pitch;

22 (iii) minimum lot size and square footage;

23 (iv) greater setbacks;

24 (v) off-street parking; or

25 (vi) design standards that restrict or prohibit the use of code  
26 compliant products;

27 (3) do not have impact fee ordinances;

28 (4) have secured private, local, state, or federal funds to  
29 contribute to the eligible project;

30 (5) have secured a letter of support from an employer stipulating  
31 that the public infrastructure will support residential housing that  
32 is in reasonable proximity to employment; or

33 (6) assist

34 ~~(A)~~ homeowners to age in place through restoration or  
35 renovation of existing homes. ~~or~~

36 ~~(B) communities in preparing for shovel ready housing.~~

37 SECTION 4. IC 36-7-11.9-3, AS AMENDED BY P.L.131-2008,  
38 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2024]: Sec. 3. ~~(a)~~ "Economic development facilities" includes  
40 land; interests in land; site improvements; infrastructure improvements;  
41 buildings; structures; rehabilitation, renovation, and enlargement of  
42 buildings and structures; economic improvement projects under



- 1 IC 36-7-22; machinery; equipment; and furnishings for the following:  
2 (1) Facilities for manufacturing, warehousing, distribution, or  
3 processing of tangible or intangible property.  
4 (2) Facilities for commercial, business, health care, or recreational  
5 activities (whether for profit or not-for-profit), except for any of  
6 the following:  
7 (A) Private or commercial golf course.  
8 (B) Country club.  
9 (C) Massage parlor.  
10 (D) Tennis club.  
11 (E) Skating facility (including roller skating, skateboarding, or  
12 ice skating).  
13 (F) Racquet sports facility (including any handball or  
14 racquetball court).  
15 (G) Hot tub facility.  
16 (H) Suntan facility.  
17 (I) Racetrack.  
18 (J) Airplane.  
19 (K) Skybox or other private luxury box.  
20 (L) Health club.  
21 (M) Any facility primarily used for gambling.  
22 (N) Any store the principal business of which is the sale of  
23 alcoholic beverages for consumption off premises.  
24 **(3) Facilities for housing under either or both of the following**  
25 **statutes:**  
26 **(A) IC 36-7-14-52.**  
27 **(B) IC 36-7-14-56.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1387, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1387 as introduced.)

O'BRIEN

Committee Vote: Yeas 10, Nays 0

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1387, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1387 as printed January 23, 2024.)

THOMPSON

Committee Vote: Yeas 20, Nays 0

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COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1387, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1387 as printed January 30, 2024.)

BUCK, Chairperson

Committee Vote: Yeas 10, Nays 0

