

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 ENROLLED ACT No. 1005

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

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

SECTION 1. IC 5-1.2-15.5-14, AS AMENDED BY P.L.90-2024, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 14. (a) The authority shall develop and use a priority ranking system in making loans from the fund.

(b) The ranking system must prioritize making loans for eligible projects to participants that **have adopted and implemented a majority of the following policies for residential housing:**

(1) Have:

- (A) invested in a housing study within the last five (5) years;
- (B) had a housing study performed by a region's local economic development organization; or
- (C) demonstrated the need for housing inventory as indicated by the Indiana state housing dashboard.

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

- (A) higher density development **of duplexes, triplexes, and fourplexes in areas designated for single family homes;**
- (B) construction of other housing types including accessory dwelling units and manufactured and modular housing;
- (C) adaptive reuse of commercial buildings for residential use **such as allowing multifamily development in retail, office,**

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and light manufacturing zones; or

(D) increasing the allowable floor area ratio in multifamily housing areas; or

~~(D)~~ **(E) waiver or elimination of regulations such as requirements for:**

- (i) garage size and placement;
- (ii) steeper roof pitch;
- (iii) minimum lot size and square footage;
- (iv) greater setbacks;
- (v) off-street parking; or
- (vi) design standards that restrict or prohibit the use of code compliant products; or
- (vii) property height limitations.**

(3) Have streamlined or shortened the permitting processes and timelines, including through one stop and parallel process permitting.

~~(3)~~ **(4) Do not have impact fee ordinances.**

~~(4)~~ **(5) Have secured private, local, state, or federal funds to contribute to the eligible project.**

~~(5)~~ **(6) Have secured a letter of support from an employer stipulating that the public infrastructure will support residential housing that is in reasonable proximity to employment. or**

~~(6)~~ **(7) Assist homeowners to age in place through restoration or renovation of existing homes.**

(8) Have established density bonuses.

(9) Use property tax abatements to enable higher density and mixed income communities.

(10) Have donated vacant land for affordable housing development.

SECTION 2. IC 34-30-2.1-583.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: **Sec. 583.7. IC 36-7-2.5-34 (Concerning immunity of a unit and employees for building plan reviews and inspection services by private providers).**

SECTION 3. IC 36-7-2-9.1, AS ADDED BY P.L.157-2024, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 9.1. ~~(a) This section applies only to a Class 2 structure for which a building permit is issued by a city, town, or county after June 30, 2024.~~

~~(b)~~ **(a) This section does not apply to:**

- (1) a manufactured housing community; or
- (2) a mobile home community;



that is licensed, permitted, and inspected by the Indiana department of health or a local board of health.

(b) This section applies only to a city, town, or county that requires a building permit, plan review, or inspection for the construction of a Class 2 structure.

(c) As used in this section, "Class 2 structure" has the meaning set forth in IC 22-12-1-5.

(d) A city, town, or county ~~that requires a building permit for the construction of a Class 2 structure, may provide for~~ **shall allow the plan review or inspection to be conducted by the following:**

- (1) An individual who is employed by the city, town, or county as a building inspector.
 - (2) An individual who is employed by another city, town, or county as a building inspector. ~~or~~
 - (3) A ~~qualified individual~~ **private provider** who is:
 - (A) an architect registered under IC 25-4-1;
 - (B) a professional engineer registered under IC 25-31-1; ~~or~~
 - (C) a certified building official **(as defined in IC 36-7-2.5-3).**
- ~~or~~
- ~~(D) a home inspector licensed under IC 25-20-2.~~

(e) An applicant for a building permit may choose to have a private provider under subsection (d)(3) conduct the plan review or inspection as provided in IC 36-7-2.5.

SECTION 4. IC 36-7-2.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]:

Chapter 2.5. Class 2 Structure Building Permits

Sec. 1. This chapter only applies to a unit that requires for a Class 2 structure:

- (1) issuance of a permit;
 - (2) submission of construction documents or plans;
 - (3) performance of a plan review;
 - (4) performance of an inspection;
 - (5) issuance of a certificate of occupancy;
 - (6) submission of a certificate of completion and compliance;
- ~~or~~
- (7) any combination of the actions in subdivisions (1) through (6).

Sec. 2. As used in this chapter, "applicant" means a person who applies for a permit.

Sec. 3. As used in this chapter, "application" means an application for a permit to conduct construction related activities



involving a Class 2 structure.

Sec. 4. As used in this chapter, "certified building official" means a person certified by the International Code Council as qualified to inspect and determine compliance of a Class 2 structure with the Indiana residential code (675 IAC 14).

Sec. 5. As used in this chapter, "Class 2 structure" has the meaning set forth in IC 22-12-1-5.

Sec. 6. As used in this chapter, "construction documents or plans" means written, graphic, and pictorial documents prepared or assembled for describing the design, location, and physical characteristics of the elements of a project necessary for obtaining a building permit. The term includes construction drawings drawn to an appropriate scale.

Sec. 7. As used in this chapter, "local requirements" means any local regulatory requirements imposed by a unit for approval of an application, including any requirements of:

- (1) state building codes;
- (2) local ordinances, zoning ordinances, and design standards; and
- (3) other applicable state and local laws, regulations, and ordinances.

Sec. 8. As used in this chapter, "permit" means the following:

- (1) An improvement location permit.
- (2) A building permit.
- (3) A certificate of occupancy.
- (4) A certificate of completion and compliance.

Sec. 9. As used in this chapter, "private provider" means a person who:

- (1) is:
 - (A) an architect registered under IC 25-4-1;
 - (B) a professional engineer registered under IC 25-31-1; or
 - (C) a certified building official;
- (2) is not:
 - (A) an employee of;
 - (B) affiliated with; or
 - (C) financially interested in;
 the person, firm, or corporation engaged in the project to be reviewed or inspected; and
- (3) is not an employee of a unit.

Sec. 10. As used in this chapter, "regulatory fee" means a payment:

- (1) designated as a permit fee, application fee, inspection fee,



impact fee, or by another name; and

(2) that a unit requires in regulating construction related activities of Class 2 structures.

Sec. 11. As used in this chapter, "unit" means a county, city, or town.

Sec. 12. A unit must comply with this chapter in issuing a permit.

Sec. 13. A unit shall provide an applicant with a schedule of the requirements for applying for and obtaining a permit, including the following:

(1) A list of any plan reviews or inspections that are required by the unit. The schedule must state that an applicant:

(A) may use:

(i) the unit to conduct any plan review or inspection; or

(ii) a private provider to conduct any plan review or inspection; and

(B) must indicate on the application whether the applicant will use a private provider.

(2) The timeline set forth in this chapter for notifications and submission of documents.

(3) Any regulatory fees charged by the unit.

(4) All of the requirements for a complete application. The schedule must specify any documents that must accompany the application, including any prior approvals or permits for:

(A) zoning;

(B) drainage;

(C) sewer or septic;

(D) wells;

(E) driveways; or

(F) flood control;

that the applicant must obtain before applying for the permit.

(5) If a private provider is used to conduct a plan review or inspection, a copy of the private provider's certificate of insurance indicating that the private provider satisfies the coverage amounts set forth in section 26 of this chapter.

Sec. 14. An application is complete if the application includes the information and supporting documents set forth in the unit's schedule under section 13 of this chapter.

Sec. 15. Except as provided in section 16 of this chapter, a unit shall deliver all notices under this chapter in an electronic format that provides for verification or acknowledgment of receipt of the notice.



Sec. 16. (a) This subsection applies only to the notice provided by the unit under this section. If the unit transmits a notice to the applicant and does not receive an electronic verification or acknowledgment of receipt of the notice within three business (3) days after the date the notice is transmitted, the unit shall send the applicant a paper copy of the notice on the next business day by United States mail.

(b) The unit has not more than three (3) business days after receiving an application to notify the applicant regarding whether the application is complete or incomplete.

(c) If the applicant is notified that the application is incomplete:

- (1)** the unit must identify in the notice any deficiencies in the application;
- (2)** the applicant may submit application revisions in an electronic or paper format; and
- (3)** the unit has three (3) business days after receiving the revisions to notify the applicant whether the application is complete or incomplete.

(d) If the applicant:

- (1)** submits revisions to the application; and
- (2)** is notified by the unit:
 - (A)** that the application is still incomplete; and
 - (B)** of the application's deficiencies;

the process of the applicant submitting revisions and the unit providing notification as to the completeness of the application within the time set forth in subsection (b) applies until the unit notifies the applicant that the application is complete.

Sec. 17. If:

- (1)** the unit notifies an applicant in writing that the application is complete; and
- (2)** a plan review is required by the unit;

the unit must complete the plan review not more than seven (7) business days after the date that notice is sent.

Sec. 18. A unit must include in the notification of complete application under section 17 of this chapter a statement as to whether the unit is able to conduct:

- (1)** a plan review (if required by the unit) not later than seven (7) business days after the date that notice is sent; and
- (2)** inspection services not later than three (3) business days after receiving a written request for inspection.

Sec. 19. An applicant may use a private provider to perform a plan review, an inspection, or both, regardless of whether the unit



is able to conduct the activity or activities within the time set forth in section 18 of this chapter. The cost of any plan review or inspection performed by a private provider is at the applicant's own expense. The unit may also charge the applicant a convenience fee as provided in section 20 of this chapter.

Sec. 20. If:

- (1) an applicant indicates on the application that the unit will perform the plan review or inspection;
- (2) the unit notifies the applicant under section 18 of this chapter that the unit is unable to perform a plan review or inspection within the time required; and
- (3) the applicant elects instead to use a private provider to perform the plan review or inspection;

the unit shall refund any fees the applicant paid to the unit for a plan review or inspection. However, the unit may withhold from the refund or charge the applicant a convenience fee of not more than one hundred dollars (\$100).

Sec. 21. If a unit:

- (1) notifies the applicant that a plan review can be performed within:
 - (A) the time set forth in section 18 of this chapter; or
 - (B) any extension period mutually agreed to by the applicant and the unit; and
- (2) fails to complete the plan review within the time stated in subdivision (1);

the unit shall issue a permit or a limited permit under section 22 of this chapter to the applicant not later than the next business day.

Sec. 22. The unit may limit:

- (1) the scope of a permit issued under section 21 of this chapter; and
- (2) the areas of the site to which a permit may apply.

However, the unit shall allow the applicant to begin work on the project if that portion of the initial phase of work is compliant with applicable codes, laws, and rules.

Sec. 23. This section does not apply if the applicant uses a private provider to perform the plan review. Any delay in the processing of an application:

- (1) attributable to a cause outside the control of the unit; or
- (2) through the fault of the applicant;

does not count toward the time set forth in section 18 of this chapter.

Sec. 24. A private provider must conduct a plan review or an



inspection that is at least as extensive as a plan review or inspection conducted by the unit.

Sec. 25. Upon completing a plan review, a private provider shall prepare an affidavit certifying under oath that all of the following are true and correct to the best of the private provider's knowledge and belief and in accordance with the applicable professional standard of care:

- (1) The plans were reviewed by the affiant who:
 - (A) is duly authorized to perform plan review under this chapter; and
 - (B) holds the:
 - (i) appropriate registration or certification; and
 - (ii) insurance coverage stipulated in this chapter.
- (2) The plans comply with all applicable local requirements.
- (3) The plans submitted for plan review:
 - (A) are in conformity with plans previously submitted to obtain governmental approvals required in the plan submittal process; and
 - (B) do not make a change to the project reviewed for the approvals.

Sec. 26. (a) A private provider providing plan review or inspection services must maintain insurance coverage for professional liability insurance of at least:

- (1) one million dollars (\$1,000,000) per claim; and
- (2) two million dollars (\$2,000,000) of aggregate coverage.

(b) A complete application must include a copy of the private provider's certificate of insurance indicating the coverage amounts set forth in subsection (a).

Sec. 27. A private provider's insurance must be a practice policy containing prior acts coverage for the private provider.

Sec. 28. (a) Subject to subsection (b), a private provider may perform any plan review or inspection required by the unit, including:

- (1) inspections for footings, foundations, concrete slabs, framing, electrical, plumbing, heating, ventilation, and air conditioning; or
- (2) any other inspection necessary or required:
 - (A) to determine compliance with regulatory requirements; and
 - (B) for the issuance of a:
 - (i) building permit; or
 - (ii) certificate of occupancy;



by the unit.

(b) A private provider may perform a plan review or inspection that is only:

- (1) within the scope of the private provider's area of competency; and
- (2) if the private provider is a certified building official, within an area for which the certified building official has been issued a certification, license, or completion of training.

Sec. 29. Nothing in this chapter authorizes a private provider to issue a building permit, improvement permit, certificate of occupancy, or any other permit or approval.

Sec. 30. (a) A private provider shall submit a copy of the private provider's plan review report to the unit not later than five (5) days after the plan review report is completed. The plan review report may be submitted in a paper format or an electronic format.

(b) A plan review report must include at least the following:

- (1) The private provider's affidavit required under section 25 of this chapter.
- (2) Any applicable fees.
- (3) Any documents:
 - (A) required by the unit; and
 - (B) necessary to determine that the permit applicant has secured all other governmental approvals required by law.

Sec. 31. The unit shall issue a permit not later than the next business day after receiving a complete plan review report from the private provider.

Sec. 32. When a private provider submits a complete inspection report is submitted to the unit, the unit shall accept the private provider's inspection report without further inspection or approval by:

- (1) the inspectors; or
- (2) other personnel employed by the unit.

Sec. 33. Nothing in this chapter shall be construed to limit any public or private right of action designed to provide protection, rights, or remedies for consumers.

Sec. 34. The unit and agents of the unit shall be immune from liability:

- (1) to any person or party; and
- (2) for any action or inaction by:
 - (A) an owner of a building; or
 - (B) a private provider or a private provider's duly authorized representative;



in connection with plan review and inspection services performed by private providers.

Sec. 35. (a) A unit may not adopt or enforce any rules, procedures, policies, qualifications, or standards more stringent than those prescribed in this chapter.

(b) A unit may not require a design professional (as defined in IC 22-15-3.2-3) to prepare construction documents, plans, or other filings for a Class 2 structure as part of an application under this chapter when constructed as prescribed by 675 IAC 14-4.4 or a most recent published edition of the International Residential Code.

(c) A unit may require a design professional (as defined in IC 22-15-3.2-3) to prepare construction documents, plans, or other filings for a Class 2 structure as evidence or proof of equivalence of proposed alternate materials, appliances, equipment, or method of design or construction and once provided shall be permitted by the unit as an alternate.

Sec. 36. Nothing in this chapter limits a unit from issuing a stop work order for a building project or any portion of a building project:

- (1)** that may be effective immediately as provided by law, after giving notice and adequate opportunity to remedy the violation; and
- (2)** if the unit determines that a condition on the building site constitutes an immediate threat to public safety and welfare.

A stop work order issued for reasons of immediate threat to public safety and welfare may be appealed as provided by law.

Sec. 37. When performing plan reviews or inspection services, a private provider is subject to the disciplinary guidelines of the private provider's professional licensing board. Any complaint processing, investigation, and discipline arising out of a private provider's performance of plan reviews or inspection services shall be conducted by the private provider's professional licensing board.

Sec. 38. To the extent that a provision of this chapter conflicts with requirements of federal laws or regulations, or impairs a unit's receipt of federal funds, the provision shall not apply.

SECTION 5. IC 36-7-4-1109, AS AMENDED BY P.L.125-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 1109. (a) As used in this section, "local governmental agency" includes any agency, officer, board, or commission of a local unit of government that may issue:



- (1) a permit; or
- (2) an approval of a land use or an approval for the construction of a development, a building, or another structure.
- (b) As used in this section, "permit" means any of the following:
 - (1) An improvement location permit.
 - (2) A building permit.
 - (3) A certificate of occupancy.
 - (4) Approval of a site-specific development plan.
 - (5) Approval of a primary or secondary plat.
 - (6) Approval of a contingent use, conditional use, special exception or special use.
 - (7) Approval of a planned unit development.

(c) If a person files a complete application as required by the effective ordinances or rules of a local unit of government or a local governmental agency for a permit with the appropriate local governmental agency, the granting of the permit, and the granting of any secondary, additional, or related permits or approvals required from the same local governmental agency with respect to the general subject matter of the application for the first permit, are governed for at least three (3) years after the person applies for the permit by the statutes, ordinances, rules, development standards, and regulations in effect and applicable to the property when the application is filed, even if before the issuance of the permit or while the permit approval process is pending, or before the issuance of any secondary, additional, or related permits or approvals or while the secondary, additional, or related permit or approval process is pending, the statutes, ordinances, rules, development standards, or regulations governing the granting of the permit or approval are changed by the general assembly or the applicable local legislative body or regulatory body, regardless of whether such changes in the statutes, ordinances, rules, development standards, or regulations are part of a zoning ordinance, a subdivision control ordinance, or a statute, ordinance, or regulation that is based on the general police powers of the local unit of government. However, this subsection does not apply if the development or other activity to which the permit relates is not completed within ten (10) years after the development or activity is commenced.

(d) Subsection (e) applies if:

- (1) either:
 - (A) a local governmental agency issues to a person a permit or grants a person approval for the construction of a development, a building, or another structure; or
 - (B) a permit or approval is not required from the local



governmental agency for the construction of the development, building, or structure;

(2) before beginning the construction of the development, building, or structure, the person must obtain a permit or approval for the construction of the development, building, or structure from a state governmental agency; and

(3) the person has applied for the permit or requested the approval for the construction of the development, building, or structure from the state governmental agency within ninety (90) days of issuance of the permit by the local governmental agency.

(e) Subject to subsection (f), if the conditions of subsection (d) are satisfied:

(1) a permit or approval issued or granted to a person by the local governmental agency for the construction of the development, building, or structure; or

(2) the person's right to construct the development, building, or structure without a permit or approval from the local governmental agency;

is governed for at least three (3) years after the person applies for the permit by the statutes, ordinances, rules, development standards, regulations, and approvals in effect and applicable to the property when the person applies for the permit or requests approval from the state governmental agency for the construction of the development, building, or structure, even if before the commencement of the construction or while the permit application or approval request is pending with the state governmental agency the statutes governing the granting of the permit or approval from the local governmental agency are changed by the general assembly or the ordinances, rules, development standards, or regulations of the local unit of government or the local governmental agency are changed by the applicable local legislative body or regulatory body, regardless of whether such changes in the statutes, ordinances, rules, development standards, or regulations are part of a zoning ordinance, a subdivision control ordinance, or a statute, ordinance, or regulation that is based on the general police powers of the local unit of government. However, this subsection does not apply if the development or other activity to which the permit or approval request relates is not completed within ten (10) years after the development or activity is commenced.

(f) Subsection (d) does not apply to property when it is demonstrated by the local or state governmental agency that the construction of the development, building, or structure would cause imminent peril to life or property.

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(g) This section does not apply to building codes under IC 22-13.

(h) The following provision is considered to be included in any regulation adopted under section 601(d)(2)(B) of this chapter that sets forth requirements for signs:

"The owner of any sign that is otherwise allowed by this regulation may substitute noncommercial copy in place of any other commercial or noncommercial copy. This substitution of copy may be made without the issuance of any additional permit by a local government agency. The purpose of this provision is to prevent any inadvertent favoring of commercial speech over noncommercial speech, or the favoring of any particular noncommercial message over any other noncommercial message. This provision prevails over any more specific provision in this regulation to the contrary."

(i) ~~Notwithstanding any other law,~~ **This subsection does not apply to a permit to which IC 36-7-2.5 applies.** A local governmental agency must, not later than twelve (12) business days after a person has filed a complete application for a permit for which approval is ministerial under IC 36-7-4-402 or an improvement location permit issued under the 800 series of this chapter and meets all conditions required under this chapter and any other statute, issue the permit to the person.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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