

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.

## SENATE ENROLLED ACT No. 4

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AN ACT to amend the Indiana Code concerning natural and cultural resources.

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

SECTION 1. IC 8-1-30.9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

**Chapter 30.9. Long Haul Water Pipelines**

**Sec. 1.** As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

**Sec. 2. (a)** As used in this chapter, "long haul water pipeline" means a newly constructed, continuous pipeline that has the ability to transport water:

- (1) at a capacity of at least ten million (10,000,000) gallons per day; and
- (2) to a destination located at least thirty (30) miles from the withdrawal source.

**(b)** The term does not include:

- (1) a project that will return at least fifty percent (50%) of the transported water after utilization back to the withdrawal source; or
- (2) a pipeline project located, in whole or in part, inside the Great Lakes-St. Lawrence River basin (as defined in IC 14-25-15-1).

**Sec. 3.** As used in this chapter, "water utility" means:

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(1) a public utility (as defined in IC 8-1-2-1(a));  
 (2) a municipally owned utility (as defined in IC 8-1-2-1(h));  
 (3) a not-for-profit utility (as defined in IC 8-1-2-125(a));  
 (4) a cooperatively owned corporation;  
 (5) a conservancy district established under IC 14-33; or  
 (6) a regional water district established under IC 13-26;  
 that provides water service to the public in Indiana for compensation.

**Sec. 4.** As used in this chapter, "withdrawal source" means:

- (1) a river, lake, reservoir, spring, or ground water aquifer;  
 or
- (2) the connection point with a water utility.

**Sec. 5. (a)** Except as provided in this chapter, the construction of a long haul water pipeline after June 30, 2025, is prohibited.

**(b)** After June 30, 2025, a water utility may construct a long haul water pipeline if the water utility first obtains from the commission a certificate that the public convenience and necessity requires, or will require, the construction of the long haul water pipeline.

**(c)** A certificate of public convenience and necessity under this chapter is not required for the transfer, purchase, sale, or lease of a long haul water pipeline that has been constructed in accordance with a certificate issued under this chapter. However, a person that transfers, sells, or leases a long haul water pipeline must provide written notice to the commission of the transfer, sale, or lease not later than sixty (60) days after the transfer, sale, or lease is finalized. Notice under this subsection shall be submitted in the form and manner prescribed by the commission and must include the name and contact information for the transferee, purchaser, or lessee. The commission may issue a general administrative order regarding the information to be included in a notice required under this subsection.

**Sec. 6.** A water utility that seeks to construct a long haul water pipeline must submit an application to the commission for a certificate of public convenience and necessity. The application must include the following:

- (1) The purpose and necessity of the long haul water pipeline, including a description of how the water being transported will be used and discharged.
- (2) The volume of water to be transported via the long haul water pipeline.
- (3) The location of the source water, transfer points, and



destination of the water being transported via the long haul water pipeline.

(4) An assessment of the hydraulic carrying capacity of, and the environmental impact on, the receiving waters in the specific areas that will receive and eventually discharge the water resources.

(5) An assessment of the hydraulic and environmental impacts of the proposed water withdrawals on the source area.

(6) A feasibility assessment that includes a consideration of whether alternate water sources could be used instead of the proposed transfer, including engineering, geological, environmental, and economic analyses.

(7) A list of conservation programs or practices conducted or proposed by the water utility with respect to the area to which water is proposed to be transferred.

(8) The date the water utility intends to begin transferring water.

(9) An estimate of costs associated with the construction of the long haul water pipeline.

(10) The impact of the long haul water pipeline on customer rates.

(11) Any other information required by the commission.

**Sec. 7. (a)** The commission shall hold a public hearing on each application.

(b) The commission may consider all relevant information related to construction costs.

(c) The commission shall issue an order granting or denying a certificate of public convenience and necessity not later than two hundred forty (240) days after the date the application for the certificate and the applicant's case in chief are filed with the commission.

(d) The commission may issue a general administrative order establishing guidelines regarding the information to be included in the applicant's case in chief.

(e) The commission shall grant a certificate of public convenience and necessity only if the commission makes a finding:

(1) as to the best estimate of the construction costs based on the evidence of record;

(2) that the estimated costs described in subdivision (1) are reasonable;

(3) that the public convenience and necessity requires or will require the construction of the long haul water pipeline; and



(4) that the construction of the long haul water pipeline is in the public interest.

(f) The commission may approve or disapprove an application in whole or part, including any amendments to the application. A certificate issued by the commission under this chapter may include any terms considered reasonably necessary by the commission.

(g) The commission may revoke, suspend, or modify a certificate if any of the following apply:

(1) A water utility violates the terms of the certificate.

(2) A water utility obtained the certificate by fraud, misrepresentation, or other malfeasance.

Sec. 8. (a) Except as provided in subsection (b), the commission shall maintain an ongoing review of the construction of a long haul water pipeline as it proceeds. The applicant shall submit each year during construction, or at other times agreed to by commission and the water utility, a progress report and any revisions in the cost estimates for the construction.

(b) A water utility may elect to forego ongoing review under subsection (a) and defer the review of the construction and cost until completion or cancellation of the long haul water pipeline.

(c) If the commission approves the construction and the cost of the portion of the long haul water pipeline under review under this section, the certificate remains in full force and effect.

(d) If the commission disapproves of all or part of the construction or cost of the portion of the long haul water pipeline under review under this section, the commission may modify or revoke the certificate, subject to section 9 of this chapter.

Sec. 9. Absent fraud, concealment, or gross mismanagement, a water utility shall recover through rates the actual costs the water utility has incurred in reliance on a certificate issued under this chapter as follows:

(1) If construction of a long haul water pipeline has been subject to ongoing review under section 8(a) of this chapter and the commission finds the construction of the long haul water pipeline has been completed, the costs of construction approved by the commission during the ongoing review shall be included, without further commission review, in:

(A) the water utility's rate base, in the case of a public utility; or

(B) the water utility's revenue requirement for extensions and replacements expense, depreciation expense, or debt



service expense, as applicable, in the case of a:

- (i) municipally owned utility;
- (ii) not-for-profit utility;
- (iii) conservancy district; or
- (iv) regional water district.

(2) If construction of a long haul water pipeline is subject to subsequent review under section 8(b) of this chapter and the commission finds the construction of the long haul water pipeline to be completed, the costs of construction that do not exceed the estimate under section 7(e)(1) of this chapter, and that are not shown to result from inadequate quality controls, shall be included in:

- (A) the water utility's rate base, in the case of a public utility; or
- (B) the water utility's revenue requirement for extensions and replacements expense, depreciation expense, or debt service expense, as applicable, in the case of a:
  - (i) municipally owned utility;
  - (ii) not-for-profit utility;
  - (iii) conservancy district; or
  - (iv) regional water district.

However, inclusion of costs in excess of the estimate under section 7(e)(1) of this chapter in the water utility's rate base or revenue requirement is not permitted unless shown by the water utility to be necessary and prudent in the construction of the long haul water pipeline.

(3) If a long haul water pipeline has been canceled as a result of:

- (A) the modification or revocation of the certificate under this chapter; or
- (B) local permitting or other issues beyond the water utility's control;

and the long haul water pipeline's construction has been subject to ongoing review under section 8(a) of this chapter (including reviews after cancellation), the costs of construction approved by the commission during the review shall be recovered by the water utility by inclusion in rates and amortization over a reasonable time to be determined by the commission. A water utility that is a public utility shall be permitted to earn a return, computed using the water utility's authorized rate of return, on the unamortized balance.

(4) If a long haul water pipeline has been canceled as a result



of:

(A) the modification or revocation of the certificate under this chapter; or

(B) local permitting or other issues beyond the water utility's control;

and the long haul water pipeline's construction is subject to subsequent review under section 8(b) of this chapter, the costs of construction incurred before cancellation that were included in the estimate under section 7(e)(1) of this chapter and that have not been shown to result from inadequate quality controls shall be recovered by the water utility by inclusion in rates and amortization over a reasonable time to be determined by the commission. A water utility that is a public utility shall be permitted to earn a return, computed using the water utility's authorized rate of return, on the unamortized balance. However, costs that were not included in the estimate under section 7(e)(1) of this chapter may not be included in rates unless shown by the water utility to be necessary and prudent in the construction of the long haul water pipeline.

SECTION 2. IC 14-8-2-20, AS AMENDED BY P.L.282-2019, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 20. "Basin" has the following meaning:

(1) For purposes of IC 14-13-9, the meaning set forth in IC 14-13-9-1.

(2) For purposes of IC 14-25-1, the meaning set forth in section 1.2 of IC 14-25-15-1.

**(3) For purposes of IC 14-25-17, the meaning set forth in IC 14-25-17-3.**

~~(4)~~ (4) For purposes of IC 14-30-2, the meaning set forth in IC 14-30-2-1.

~~(5)~~ (5) For purposes of IC 14-30-3, the meaning set forth in IC 14-30-3-1.

~~(6)~~ (6) For purposes of IC 14-30-4, the meaning set forth in IC 14-30-4-1.

SECTION 3. IC 14-8-2-181.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 181.5. "Notable user", for purposes of IC 14-25-17, has the meaning set forth in IC 14-25-17-4.**

SECTION 4. IC 14-25-17 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2025]:

**Chapter 17. Interbasin Water Transfers**

**Sec. 1. This chapter does not apply to an interbasin water transfer that is:**

- (1) made by a water utility:**
  - (A) from or downstream from a reservoir:**
    - (i) owned, operated, or managed by the water utility; or**
    - (ii) with respect to which the water utility has withdrawal rights;**
  - (B) within the water utility's own service area in which more than one (1) basin is present;**
  - (C) under an agreement made before January 1, 2025, concerning the limitless exploration advanced pace district and any related development;**
  - (D) to an existing wholesale customer of the water utility as of July 1, 2025; or**
  - (E) to an affiliate of the water utility or, in the case of a water utility that is:**
    - (i) owned, operated, or held in trust by a consolidated city; or**
    - (ii) controlled by the board of directors for utilities of a consolidated city;**
- to another water utility held in trust by the consolidated city or controlled by the board of directors for utilities of the consolidated city; or**
- (2) subject to the Great Lakes-St. Lawrence River Basin Water Resources Compact (IC 14-25-15).**

**Sec. 2. The general assembly finds that it is prudent to engage in planning for the future and to have an explicit mechanism in place to regulate proposals for the diversion of water from one basin to another, consistent with IC 14-25-3-3.**

**Sec. 3. As used in this chapter, "basin" means the following:**

- (1) The Lake Michigan basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**
  - (A) 04040001 (the Little Calumet-Galien subbasin).**
  - (B) 07120003 (the Chicago subbasin).**
- (2) The Kankakee basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**
  - (A) 07120001 (the Kankakee subbasin).**
  - (B) 07120002 (the Iroquois subbasin).**



**(3) The Northeast basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**

- (A) 04050001 (the St. Joseph subbasin).**
- (B) 04100003 (the St. Joseph subbasin).**
- (C) 04100004 (the St. Marys subbasin).**
- (D) 04100005 (the Upper Maumee subbasin).**
- (E) 04100007 (the Auglaize subbasin).**

**(4) The Wabash Headwaters basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**

- (A) 05120101 (the Upper Wabash subbasin).**
- (B) 05120102 (the Salamonie subbasin).**
- (C) 05120103 (the Mississinewa subbasin).**
- (D) 05120104 (the Eel subbasin).**
- (E) 05120105 (the Middle Wabash-Deer subbasin).**

**(5) The North Central basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**

- (A) 05120106 (the Tippecanoe subbasin).**
- (B) 05120107 (the Wildcat subbasin).**
- (C) 05120108 (the Middle Wabash-Little Vermilion subbasin).**
- (D) 05120109 (the Vermilion subbasin).**
- (E) 05120110 (the Sugar subbasin).**

**(6) The Central basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit code:**

- (A) 05120201 (the Upper White subbasin).**

**(7) The Southeast Central basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**

- (A) 05120204 (the Driftwood subbasin).**
- (B) 05120205 (the Flatrock-Haw subbasin).**
- (C) 05120206 (the Upper East Fork White subbasin).**

**(8) The Southeast basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:**

- (A) 05080002 (the Lower Great Miami subbasin).**
- (B) 05080003 (the Whitewater subbasin).**
- (C) 05090203 (the Middle Ohio-Laughery subbasin).**
- (D) 05120207 (the Muscatatuck subbasin).**





(E) 05140101 (the Silver-Little Kentucky subbasin).

(F) 05140104 (the Blue-Sinking subbasin).

(9) The Southwest basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:

(A) 05120111 (the Middle Wabash-Busseron subbasin).

(B) 05120202 (the Lower White subbasin).

(C) 05120203 (the Eel subbasin).

(D) 05120208 (the Lower East Fork White subbasin).

(E) 05120209 (the Patoka subbasin).

(10) The Ohio River basin, which shall consist of all waters that are classified by the following eight (8) digit United States Geological Survey hydrologic unit codes:

(A) 05120113 (the Lower Wabash subbasin).

(B) 05140201 (the Lower Ohio-Little Pigeon subbasin).

(C) 05140202 (the Highland Pigeon subbasin).

Sec. 4. As used in this chapter, "notable user" means a person that transfers or proposes to transfer:

(1) more than an annual average of thirty million (30,000,000) gallons of water per day; or

(2) water from an area determined by the department under IC 14-25-3 to be a restricted use area.

Sec. 5. (a) Except as provided in subsection (b), a notable user may not:

(1) transfer water out of a basin; or

(2) supply water to another person that the notable user knows will transfer more than one hundred thousand (100,000) gallons of water per day out of a basin;

without a transfer permit from the department.

(b) A transfer permit is not required for:

(1) the transfer of ground water, unless the transfer is determined by the department to result in perennial stream flow depletion;

(2) subject to subsection (c), an existing or ongoing interbasin transfer as of July 1, 2025;

(3) an interbasin transfer to an area of need during a temporary water emergency as described in section 11 of this chapter; or

(4) an interbasin transfer if the destination of the transfer is situated upstream or downstream of the withdrawal point such that the natural flow of water is not disturbed.

(c) A notable user must receive a transfer permit if an existing



or ongoing interbasin transfer described in subsection (b)(2) exceeds the capacity of any system engaged in the interbasin transfer in any ninety (90) day period. For purposes of this subsection, the capacity of an existing system refers to:

- (1) withdrawal capacity;
- (2) treatment capacity;
- (3) distribution capacity; or
- (4) any other capacity limiting factor;

as appropriate in the circumstances.

**Sec. 6.** A notable user may submit an application for a transfer permit to the department. An application must contain the following:

- (1) The beneficial use (as defined in IC 14-25-7-2), purpose, and necessity of the proposed transfer.
- (2) The volume of the proposed transfer.
- (3) The location of all withdrawal, return, and transfer points related to the proposed transfer.
- (4) The volume of water that will be returned to the basin in connection with the proposed transfer.
- (5) The peak capacity of each transfer facility that would be involved in the proposed transfer, including evidence supporting the peak capacity.
- (6) An assessment of the hydraulic and environmental impact of the proposed transfer on the basin.
- (7) A feasibility assessment that considers whether alternate water sources not subject to this chapter could be used in place of the proposed transfer, including engineering, geological, environmental, and economic analyses.
- (8) A list of conservation programs or practices conducted or proposed by the notable user in the area where water is proposed to be transferred to.
- (9) The date the notable user intends to begin transferring water outside the basin.
- (10) A filing fee set by the department.
- (11) Any other information required by the department.

**Sec. 7. (a)** The department shall review an application submitted under section 6 of this chapter. If the department determines that the application submitted under section 6 of this chapter is complete, the department shall notify the applicant.

**(b)** The department shall return an application to the applicant if the department determines that the application is incomplete, inaccurate, or both.



(c) If the department returns an application to an applicant under subsection (b), the department shall include with the returned application a written notice that:

- (1) identifies the deficiency in the application; and
- (2) informs the applicant that the applicant may file a corrected application not later than sixty (60) days after the applicant's receipt of the returned application.

(d) Upon receiving a corrected application under this section, the department shall review the application.

(e) Not later than ninety (90) days after receiving a complete application, the department shall notify the applicant in writing as to whether the department has approved or denied the application. The department shall approve an application if the department determines that the transfer:

- (1) will not result in a perennial overdraft of a ground water resource or in a perennial stream flow depletion; and
- (2) is in the public interest, as described in IC 14-25-1-1 and IC 14-25-1-2.

**Sec. 8. (a)** If the department approves an application under section 7 of this chapter, the department shall issue to the applicant a transfer permit.

(b) A transfer permit may include any terms deemed reasonably necessary by the department.

(c) A permittee shall file with the department at least once every five (5) years a certification of compliance with the terms of a transfer permit.

**Sec. 9.** Except as provided in section 10 of this chapter, a transfer permit does not expire.

**Sec. 10.** The department may revoke, suspend, or modify a transfer permit if any of the following apply:

- (1) A permittee violates the terms of the transfer permit.
- (2) A permittee obtained the transfer permit by fraud, misrepresentation, or other malfeasance.
- (3) A permittee fails to file a certification of compliance as described in section 8 of this chapter.
- (4) The public interest requires revocation, suspension, or modification.

**Sec. 11.** The department may declare a temporary water emergency during periods of extended drought, natural disasters, significant utility outages, or other similar events.

**Sec. 12. (a)** The department may assess a civil penalty against a notable user that knowingly violates this chapter of not more than



**ten thousand dollars (\$10,000) per day per violation.**

**(b) All civil penalties collected under this chapter shall be deposited in the state general fund.**

**Sec. 13. The department may adopt rules under IC 4-22-2 to implement this chapter.**



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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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