

# HOUSE BILL No. 1210

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-1-14-19; IC 5-14-3.8; IC 6-1.1; IC 6-3.6; IC 6-9-32-3; IC 8-22-3.5-11; IC 36-1; IC 36-7; IC 36-7.5-4.5-18; IC 36-8-19-8.5.

**Synopsis:** Department of local government finance. Requires a municipal entity that hires or retains a municipal adviser to complete a competitive process at least once every two years to select the municipal adviser. Requires the municipal entity to publish a contract in a prominent location on the municipal entity's website. Eliminates the requirement that the department of local government finance (DLGF) work with the office of technology or another organization that is part of a state educational institution for purposes of posting information on the Indiana transparency website and submitting forms regarding data for local units. Makes changes to procedures regarding the reporting by county assessors of assessment values of real and personal property and parcel level data. Changes the deadline by which a county must submit to the DLGF data regarding real property, personal property, and geographic information system information from September 1 to July 1 of each year. Requires the purchaser of a mobile  
(Continued next page)

**Effective:** January 1, 2024 (retroactive); January 1, 2025 (retroactive); July 1, 2025 (retroactive); January 1, 2026 (retroactive); July 1, 2026; July 1, 2027.

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**Snow, Lopez, Slager, Pryor**

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January 5, 2026, read first time and referred to Committee on Ways and Means.

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home to process the paperwork with the bureau of motor vehicles to transfer the title into the purchaser's name within 90 days of the sale. Eliminates provisions allowing certain entities to petition for increases to the maximum ad valorem property tax levy for their firefighting and emergency services fund, fire protection districts, and fire protection territories. Makes procedural changes for civil taxing units not subject to levy limits. Adds the county option circuit breaker tax credit and local property tax credits to the list of credits that result in a reduction of property tax collections in a political subdivision in which such a credit is applied. Specifies the procedures for the submission of certain forms and related allocation amounts with regard to various allocation areas. Provides that if a redevelopment commission (commission) fails to provide proper notice, the county auditor shall allocate 5% of the relevant assessed value in the allocation area to the respective taxing units. Provides that if the commission notifies the county auditor and the DLGF that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate 5% of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds to the respective taxing units. Removes language regarding the submission and approval, by the DLGF, of a proposed notice, ordinance, or resolution of an adopting body or another governmental entity. Makes provisions for local income tax expenditures related to county staff expenses, courtroom costs of the state judicial system within a county, and funding for property tax homestead credits. Changes reporting requirements by governing bodies to the DLGF regarding guaranteed savings contracts and energy efficient programs used by school corporations. Provides that the property tax rate for the levy imposed to be used for the replacement of fire protection territory equipment is considered part of the maximum permissible ad valorem property tax levy and may not exceed \$0.0333 per \$100 of assessed value. Provides that state distributable property of utilities and railroads remains subject to the minimum valuation floor regardless of when the property is placed in service. Extends a temporary increase in the capitalization rate percentage under the statewide agricultural land base rate determination. Provides that the Jackson County innkeeper's tax rate may not exceed 8% (as opposed to 5% under current law). Provides that the DLGF shall annually publish on the Indiana Register the adjusted cost estimate threshold for a public work project that a board may perform using its own workforce, without awarding a contract. Specifies the method for determining the adjusted cost estimate threshold each year. Requires the county auditor to provide notice to the executive of a county, city, or town (as applicable) if a common area within a residential development is eligible for tax sale before the date of application for judgment and property tax exemption for certain eligible property for taxes first due order for sale is sought. Provides a real and personal property tax exemption for Indiana nonprofit senior living communities beginning with property taxes that are first due and payable in 2027. Provides a property tax exemption for certain eligible property taxes first due and payable in 2025 and 2026. Prohibits an individual or business entity from bidding or purchasing a tract or item of real property offered at tax sale if: (1) the individual; or (2) an individual with a significant ownership interest or financial interest in the business entity also held a significant ownership interest or financial interest in another business entity that; previously purchased a tract or item of real property offered at tax sale and the tract was subsequently included on the delinquency list. Increases the amount of the property tax deduction for a model residence and a residence in inventory from 50% to 75% of the assessed value of the property for



each deduction. Increases, from three to seven, the number of model residences and residences in inventory in Indiana owned by the same owner or an affiliated group of owners that may qualify for each deduction for an assessment date.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1210

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

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

- 1 SECTION 1. IC 5-1-14-19 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2026]: **Sec. 19. (a) This section applies to a contract between a**  
4 **municipal entity and a municipal adviser entered into, renewed, or**  
5 **amended after June 30, 2026.**  
6 **(b) As used in this section, "municipal adviser" means a person**  
7 **who is not an employee of the municipal entity who:**  
8 **(1) provides advice to or on behalf of a municipal entity or**  
9 **obligated person concerning financial issues, including advice**  
10 **related to:**  
11 **(A) municipal financial products or the issuance of**  
12 **municipal securities, including with respect to structure,**  
13 **timing, and terms; or**  
14 **(B) budgeting and long term financial planning; or**  
15 **(2) undertakes a solicitation of a municipal entity or obligated**



1 person.

2 The term includes financial advisers, guaranteed investment  
3 contract brokers, third party marketers, placement agents,  
4 solicitors, finders, and swap advisers who engage in municipal  
5 advisory activities.

6 (c) As used in this section, "municipal entity" refers to:

- 7 (1) a county;
- 8 (2) a township;
- 9 (3) a city;
- 10 (4) a town;
- 11 (5) a school corporation;
- 12 (6) a special taxing district;
- 13 (7) an instrumentality of an entity listed in subdivisions (1)
- 14 through (6); and
- 15 (8) any other entity required to sell bonds pursuant to
- 16 IC 5-1-11.

17 (d) As used in this section, "municipal financial products"  
18 means municipal derivatives, guaranteed investment contracts, and  
19 investment strategies.

20 (e) As used in this section, "obligated person" means any person  
21 who is committed under a contract or another arrangement to  
22 support the payment of all or part of the obligations on municipal  
23 securities to be sold in an offering.

24 (f) As used in this section, "solicitation of a municipal entity or  
25 obligated person" has the meaning set forth in 15 U.S.C.  
26 78o-4(e)(9).

27 (g) If a municipal entity hires or retains a municipal adviser, the  
28 municipal entity shall complete a competitive process at least once  
29 every two (2) years to select the municipal adviser. The competitive  
30 process must include the issuance of a request for proposals or  
31 request for qualifications that allows the municipal entity to  
32 compare qualifications and select the most qualified municipal  
33 adviser based on the scope of services and evaluation criteria  
34 outlined in the request for proposals or request for qualifications.

35 (h) The municipal entity shall publish a contract entered into  
36 with a municipal adviser in a prominent location on the municipal  
37 entity's website.

38 SECTION 2. IC 5-14-3.8-3, AS AMENDED BY P.L.1-2025,  
39 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JULY 1, 2026]: Sec. 3. The department, ~~working with the office of~~  
41 ~~technology established by IC 4-13.1-2-1, or another organization that~~  
42 ~~is part of a state educational institution,~~ the office of management and



1 budget established by IC 4-3-22-3, and the state board of accounts  
 2 established by IC 5-11-1-1 shall post on the Indiana transparency  
 3 website the following:

- 4 (1) The financial reports required by IC 5-11-1-4.
- 5 (2) The report on expenditures per capita prepared under
- 6 IC 6-1.1-33.5-7.
- 7 (3) A listing of the property tax rates certified by the department.
- 8 (4) An index of audit reports prepared by the state board of
- 9 accounts.
- 10 (5) Local development agreement reports prepared under
- 11 IC 4-33-23-10 and IC 4-33-23-17.
- 12 (6) Information for evaluating the fiscal health of a political
- 13 subdivision in the format required by section 8(b) of this chapter.
- 14 (7) A listing of expenditures specifically identifying those for:
- 15 (A) personal services;
- 16 (B) other operating expenses or total operating expenses; and
- 17 (C) debt service, including lease payments, related to debt.
- 18 (8) A listing of fund balances, specifically identifying balances in
- 19 funds that are being used for accumulation of money for future
- 20 capital needs.
- 21 (9) Any other financial information deemed appropriate by the
- 22 department.

23 SECTION 3. IC 5-14-3.8-7, AS AMENDED BY P.L.137-2012,  
 24 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2026]: Sec. 7. The department may require that prescribed  
 26 forms be submitted in an electronic format. The department ~~working~~  
 27 ~~with the office of technology established by IC 4-13.1-2-1 or another~~  
 28 ~~organization that is part of a state educational institution;~~ shall develop  
 29 and maintain a secure, web based system that facilitates electronic  
 30 submission of the forms under this section. Political subdivisions shall  
 31 submit forms under this section through the web based system as  
 32 prescribed by the department.

33 SECTION 4. IC 6-1.1-2-11, AS ADDED BY P.L.68-2025,  
 34 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2025 (RETROACTIVE)]: Sec. 11. (a) As used in this section,  
 36 "tax increment financing allocation area" means any area authorized by  
 37 statute in which ad valorem property taxes are allocated, including the  
 38 following:

- 39 (1) IC 6-1.1-39 (economic development districts).
- 40 (2) IC 8-22-3.5 (airport development zones).
- 41 (3) IC 36-7-14 (redevelopment of areas needing redevelopment
- 42 generally).



(4) IC 36-7-15.1 (redevelopment of areas in Marion County).

(5) IC 36-7-30 (reuse of federal military bases).

(6) IC 36-7-30.5 (development of multicounty federal military bases).

(7) IC 36-7-32 (certified technology parks).

(8) IC 36-7-32.5 (innovation development districts).

(9) IC 36-7.5-4.5 (rail transit development districts).

(b) The department shall, in each year beginning after December 31, 2025, 2026, and ending before January 1, 2034, adjust the base assessed value of each tax increment financing allocation area to neutralize the effect of the changing tax rates resulting year to year from the homestead deduction under IC 6-1.1-12-37(c)(2) and IC 6-1.1-12-37.5(c) and the deduction for eligible property under IC 6-1.1-12-47. It is the intent of the general assembly that an increase in revenue from a change in tax rates resulting from these statutes accrue only to the base assessed value and not to the tax increment financing allocation area. However, in the case of a decrease in revenue from a change in tax rates resulting from these statutes, the department may neutralize the change under this subsection in a positive manner with regard to the tax increment financing allocation area to protect the ability to pay bonds based on incremental revenue, if the tax increment financing allocation area demonstrates to the department that an adjustment is needed before the department calculates a positive neutralization adjustment.

SECTION 5. IC 6-1.1-3-17, AS AMENDED BY P.L.232-2017, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 17. (a) On or before June 1 of each year, each township assessor (if any) of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the township assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

(b) On or before July 1 of each year, each county assessor shall certify to the county auditor **and the department of local government finance** the assessment value of the personal property in every taxing district. **The county assessor shall certify the assessment value of the personal property in the form prescribed by the department of local government finance.**

(c) ~~The department of local government finance shall prescribe the forms required by this section. If a county assessor fails to certify to~~



the county auditor and the department of local government finance the assessment value of the personal property in every taxing district on or before July 1 in accordance with subsection (b), the county assessor shall, on or before July 1 of the same calendar year, provide electronic notice to the county auditor, the county fiscal body, the department of local government finance, and each political subdivision in the county subject to IC 6-1.1-17-16. The electronic notice must include a written statement acknowledging noncompliance and detail the reasons why the statutory deadline provided in subsection (b) was not met.

(d) The department of local government finance shall, before February 2, 2027, and before February 2 of each year thereafter, submit a report of the counties that failed to meet the statutory deadline set forth in subsection (b) to the legislative services agency for distribution to the members of the legislative council. The report must be in an electronic format under IC 5-14-6.

SECTION 6. IC 6-1.1-4-4.5, AS AMENDED BY P.L.230-2025, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a reassessment under section 4.2 of this chapter for the property last took effect.

(b) Subject to subsection (f), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment under section 4.2 of this chapter for the property becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and





1 certify each annual adjustment determined under this section.

2 (e) For an assessment beginning after December 31, 2022,  
3 agricultural improvements such as but not limited to barns, grain bins,  
4 or silos on land assessed as agricultural shall not be adjusted using  
5 factors, such as neighborhood delineation, that are appropriate for use  
6 in adjusting residential, commercial, and industrial real property. Those  
7 portions of agricultural parcels that include land and buildings not used  
8 for an agricultural purpose, such as homes, homesites, and excess  
9 residential land and commercial or industrial land and buildings, shall  
10 be adjusted by the factor or factors developed for other similar property  
11 within the geographic stratification. The residential portion of  
12 agricultural properties shall be adjusted by the factors applied to  
13 similar residential purposes.

14 (f) In making the annual determination of the base rate to satisfy the  
15 requirement for an annual adjustment for each assessment date, the  
16 department of local government finance shall, not later than March 1  
17 of each year, determine the base rate using the methodology reflected  
18 in Table 2-18 of Book 1, Chapter 2 of the department of local  
19 government finance's Real Property Assessment Guidelines (as in  
20 effect on January 1, 2005), except that the department shall adjust the  
21 methodology as follows:

22 (1) Use a six (6) year rolling average adjusted under subdivision  
23 (3) instead of a four (4) year rolling average.

24 (2) Use the data from the six (6) most recent years preceding the  
25 year in which the assessment date occurs for which data is  
26 available, before one (1) of those six (6) years is eliminated under  
27 subdivision (3) when determining the rolling average.

28 (3) Eliminate in the calculation of the rolling average the year  
29 among the six (6) years for which the highest market value in use  
30 of agricultural land is determined.

31 (4) After determining a preliminary base rate that would apply for  
32 the assessment date without applying the adjustment under this  
33 subdivision, the department of local government finance shall  
34 adjust the preliminary base rate as follows:

35 (A) If the preliminary base rate for the assessment date would  
36 be at least ten percent (10%) greater than the final base rate  
37 determined for the preceding assessment date, a capitalization  
38 rate of:

39 (i) for purposes of determining the preliminary base rate for  
40 the January 1, 2025, ~~and the January 1, 2026,~~ **and January**  
41 **1, 2027,** assessment dates, nine percent (9%); and

42 (ii) for purposes of determining the preliminary base rate for



- 1 assessment dates before January 1, 2025, and for assessment  
 2 dates after December 31, ~~2026~~, **2027**, eight percent (8%);  
 3 shall be used to determine the final base rate.
- 4 (B) If the preliminary base rate for the assessment date would  
 5 be at least ten percent (10%) less than the final base rate  
 6 determined for the preceding assessment date, a capitalization  
 7 rate of six percent (6%) shall be used to determine the final  
 8 base rate.
- 9 (C) If neither clause (A) nor clause (B) applies, a capitalization  
 10 rate of seven percent (7%) shall be used to determine the final  
 11 base rate.
- 12 (D) In the case of a market value in use for a year that is used  
 13 in the calculation of the six (6) year rolling average under  
 14 subdivision (1) for purposes of determining the base rate for  
 15 the assessment date:
- 16 (i) that market value in use shall be recalculated by using the  
 17 capitalization rate determined under clauses (A) through (C)  
 18 for the calculation of the base rate for the assessment date;  
 19 and
- 20 (ii) the market value in use recalculated under item (i) shall  
 21 be used in the calculation of the six (6) year rolling average  
 22 under subdivision (1).
- 23 (g) For assessment dates after December 31, 2009, an adjustment in  
 24 the assessed value of real property under this section shall be based on  
 25 the estimated true tax value of the property on the assessment date that  
 26 is the basis for taxes payable on that real property.
- 27 (h) The department shall release the department's annual  
 28 determination of the base rate on or before March 1 of each year.
- 29 (i) For the January 1, 2025, assessment date only, the base rate  
 30 determined using the capitalization rate under subsection (f)(4)(A)(i)  
 31 shall not apply to land that is assessed under section 12 of this chapter.
- 32 SECTION 7. IC 6-1.1-4-25, AS AMENDED BY P.L.1-2025,  
 33 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 25. (a) Each township  
 35 assessor and each county assessor shall keep the assessor's  
 36 reassessment data and records current by securing the necessary field  
 37 data and by making changes in the assessed value of real property as  
 38 changes occur in the use of the real property. The township or county  
 39 assessor's records shall at all times show the assessed value of real  
 40 property in accordance with this chapter. The township assessor shall  
 41 ensure that the county assessor has full access to the assessment  
 42 records maintained by the township assessor.



(b) The county assessor shall:

(1) maintain an electronic data file of:

(A) the parcel characteristics and parcel assessments of all parcels; and

(B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date;

(2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by:

(A) the legislative services agency; and

(B) the department of local government finance;

(3) provide electronic access to property record cards on the official county website; and

(4) before ~~September 1~~ **July 1** of each year, transmit the data in the file with respect to the assessment date of that year to the department of local government finance.

(c) The appropriate county officer, as designated by the county executive, shall:

(1) maintain an electronic data file of the geographic information system characteristics of each parcel for each township in the county as of each assessment date;

(2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by the office of technology; and

(3) before ~~September 1~~ **July 1** of each year, transmit the data in the file with respect to the assessment date of that year to the geographic information office of the office of technology.

(d) An assessor under subsection (b) and an appropriate county officer under subsection (c) shall do the following:

(1) Transmit the data in a manner that meets the data export and transmission requirements in a standard format, as prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency.

(2) Resubmit the data in the form and manner required under subsection (b) or (c) upon request of the legislative services agency, the department of local government finance, or the geographic information office of the office of technology, as applicable, if data previously submitted under subsection (b) or (c) does not comply with the requirements of subsection (b) or (c), as determined by the legislative services agency, the department of local government finance, or the geographic information office



of the office of technology, as applicable.

An electronic data file maintained for a particular assessment date may not be overwritten with data for a subsequent assessment date until a copy of an electronic data file that preserves the data for the particular assessment date is archived in the manner prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency.

SECTION 8. IC 6-1.1-5-14, AS AMENDED BY P.L.232-2017, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 14. (a) Not later than:

(1) May 15 in each calendar year ending before January 1, 2017; and

(2) May 1 in each calendar year ending after December 31, 2016; each township assessor in the county (if any) shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township.

(b) On or before July 1 of each calendar year, each county assessor shall, under oath, ~~prepare and deliver~~ **certify** to the county auditor **and the department of local government finance** a detailed list of the real property listed for taxation in the county. The county assessor shall ~~prepare~~ **certify** the list in the form prescribed by the department of local government finance.

(c) **If the county assessor fails to certify to the county auditor and the department of local government finance a detailed list of the real property on or before July 1 in accordance with subsection (b), then the county assessor shall, on or before July 1 of the same calendar year, provide electronic notice to the county auditor, the county fiscal body, the department of local government finance, and each political subdivision in the county subject to IC 6-1.1-17-16. The electronic notice must include a written statement acknowledging noncompliance and detail the reasons why the statutory deadline set forth in subsection (b) was not met.**

(d) **The department of local government finance shall, before February 2, 2027, and before February 2 of each year thereafter, submit a report of the counties that failed to meet the statutory deadline set forth in subsection (b) to the legislative services agency for distribution to the members of the legislative council. The report must be in an electronic format under IC 5-14-6.**

SECTION 9. IC 6-1.1-7-10.4, AS AMENDED BY P.L.118-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10.4. (a) This section does not apply to a mobile home that is offered for sale at auction under IC 9-22-1.5 or



1 IC 9-22-1.7 for the transfer resulting from the auction.

2 (b) The owner of a mobile home who sells the mobile home to  
3 another person shall provide the purchaser with the permit required by  
4 section 10(d) of this chapter before the sale is consummated.

5 **(c) The purchaser of a mobile home shall process the paperwork**  
6 **with the bureau of motor vehicles to transfer the title into the**  
7 **purchaser's name within ninety (90) days of the sale.**

8 SECTION 10. IC 6-1.1-8-44, AS AMENDED BY P.L.68-2025,  
9 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 44. (a) Except to the  
11 extent that it conflicts with a statute and subject to subsection (f), 50  
12 IAC 5.1 (as in effect January 1, 2001), which was formerly  
13 incorporated by reference into this section, is reinstated as a rule.

14 (b) Tangible personal property within the scope of 50 IAC 5.1 (as  
15 in effect January 1, 2001) shall be assessed on the assessment dates in  
16 calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as  
17 in effect January 1, 2001).

18 (c) The publisher of the Indiana Administrative Code shall publish  
19 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative  
20 Code.

21 (d) 50 IAC 5.2 and any other rule to the extent that it conflicts with  
22 this section is void.

23 (e) A reference in 50 IAC 5.1 to a governmental entity that has been  
24 terminated or a statute that has been repealed or amended shall be  
25 treated as a reference to its successor.

26 (f) The department of local government finance may not amend or  
27 repeal the following (all as in effect January 1, 2001):

28 (1) 50 IAC 5.1-6-6.

29 (2) 50 IAC 5.1-6-7.

30 (3) 50 IAC 5.1-6-8.

31 (4) 50 IAC 5.1-6-9.

32 (5) 50 IAC 5.1-8-1.

33 (6) 50 IAC 5.1-9-1.

34 (7) 50 IAC 5.1-9-2.

35 However, the department of local government finance may amend  
36 these rules to reflect statutory changes.

37 ~~(g) Notwithstanding any other provision of this section, the~~  
38 ~~department of local government finance shall adopt rules amending 50~~  
39 ~~IAC 5.1 to reflect the enactment of section 45 of this chapter.~~

40 SECTION 11. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025,  
41 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 45. (a) ~~This subsection~~



1 applies only to a taxpayer's assessable depreciable personal property  
 2 that is placed in service on or before January 1, 2025. Except as  
 3 provided in subsections (b) and (c); For each assessment date, the total  
 4 valuation of a taxpayer's assessable depreciable personal property in a  
 5 single taxing district may not be less than thirty percent (30%) of the  
 6 adjusted cost of all the taxpayer's assessable depreciable property in the  
 7 taxing district.

8 (b) The limitation set forth in subsection (a) is to be applied before  
 9 any special adjustment for abnormal obsolescence. The limitation does  
 10 not apply to equipment not placed in service, special tooling, and  
 11 permanently retired depreciable personal property.

12 (c) Depreciable personal property that is placed in service after  
 13 January 1, 2025, is not subject to the minimum valuation limitation  
 14 under this section. However, if depreciable personal property is placed  
 15 in service after January 1, 2025, and is located in an existing tax  
 16 increment allocation area for which the base assessed value is  
 17 determined before January 1, 2025, the depreciable personal property  
 18 remains subject to the minimum valuation limitations under this  
 19 section.

20 SECTION 12. IC 6-1.1-10.2 IS ADDED TO THE INDIANA CODE  
 21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 22 JANUARY 1, 2026 (RETROACTIVE)]:

23 **Chapter 10.2. Exemptions for Indiana Nonprofit Senior Living**  
 24 **Communities**

25 **Sec. 1.** It is the intent of the general assembly that Indiana  
 26 nonprofit senior living communities identified in this chapter that  
 27 also meet the requirements set out in this chapter be exempt from  
 28 property taxation, including real and tangible property.

29 **Sec. 2.** All or part of a building is exempt from property  
 30 taxation if it is owned by an Indiana nonprofit entity that is:

- 31 (1) registered as a continuing care retirement community  
 32 under IC 23-2-4;
- 33 (2) defined as a small house health facility under  
 34 IC 16-18-2-331.9; or
- 35 (3) licensed as a health care or residential care facility under  
 36 IC 16-28.

37 **Sec. 3.** Tangible personal property is exempt from property  
 38 taxation if it is owned by an Indiana nonprofit entity that is:

- 39 (1) registered as a continuing care retirement community  
 40 under IC 23-2-4;
- 41 (2) defined as a small house health facility under  
 42 IC 16-18-2-331.9; or



1           **(3) licensed as a health care or residential care facility under**  
 2           **IC 16-28.**

3           SECTION 13. IC 6-1.1-12-15, AS AMENDED BY P.L.230-2025,  
 4           SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 5           JULY 1, 2026]: Sec. 15. (a) Except as provided in section 17.8 of this  
 6           chapter and subject to section 45 of this chapter, an individual who  
 7           desires to claim the deduction provided by section 13 or 14 of this  
 8           chapter must file a statement with the auditor of the county in which  
 9           the ~~individual resides.~~ **property is located.** To obtain the deduction for  
 10          a desired calendar year in which property taxes are first due and  
 11          payable, the statement must be completed, dated, and filed with the  
 12          county auditor on or before January 15 of the calendar year in which  
 13          the property taxes are first due and payable. The statement may be filed  
 14          in person or by mail. If mailed, the mailing must be postmarked on or  
 15          before the last day for filing. The statement shall contain a sworn  
 16          declaration that the individual is entitled to the deduction.

17          (b) In addition to the statement, the individual shall submit to the  
 18          county auditor for the auditor's inspection:

19               (1) a pension certificate, an award of compensation, or a disability  
 20               compensation check issued by the United States Department of  
 21               Veterans Affairs if the individual claims the deduction provided  
 22               by section 13 of this chapter;

23               (2) a pension certificate or an award of compensation issued by  
 24               the United States Department of Veterans Affairs if the individual  
 25               claims the deduction provided by section 14 of this chapter; or

26               (3) the appropriate certificate of eligibility issued to the individual  
 27               by the Indiana department of veterans' affairs if the individual  
 28               claims the deduction provided by section 13 or 14 of this chapter.

29          (c) If the individual claiming the deduction is under guardianship,  
 30          the guardian shall file the statement required by this section. If a  
 31          deceased veteran's surviving spouse is claiming the deduction, the  
 32          surviving spouse shall provide the documentation necessary to  
 33          establish that at the time of death the deceased veteran satisfied the  
 34          requirements of section 13(a)(1) through 13(a)(4) of this chapter,  
 35          section 14(a)(1) through 14(a)(4) of this chapter, or section 14(b)(2) of  
 36          this chapter, whichever applies.

37          (d) If the individual claiming a deduction under section 13 or 14 of  
 38          this chapter is buying real property, a mobile home not assessed as real  
 39          property, or a manufactured home not assessed as real property under  
 40          a contract that provides that the individual is to pay property taxes for  
 41          the real estate, mobile home, or manufactured home, the statement  
 42          required by this section must contain the record number and page



1 where the contract or memorandum of the contract is recorded.

2 SECTION 14. IC 6-1.1-12-37, AS AMENDED BY THE  
3 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL  
4 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2026]: Sec. 37. (a) The following definitions apply throughout  
6 this section:

7 (1) "Dwelling" means any of the following:

8 (A) Residential real property improvements that an individual  
9 uses as the individual's residence, limited to a single house and  
10 a single garage, regardless of whether the single garage is  
11 attached to the single house or detached from the single house.

12 (B) A mobile home that is not assessed as real property that an  
13 individual uses as the individual's residence.

14 (C) A manufactured home that is not assessed as real property  
15 that an individual uses as the individual's residence.

16 (2) "Homestead" means an individual's principal place of  
17 residence:

18 (A) that is located in Indiana;

19 (B) that:

20 (i) the individual owns;

21 (ii) the individual is buying under a contract recorded in the  
22 county recorder's office, or evidenced by a memorandum of  
23 contract recorded in the county recorder's office under  
24 IC 36-2-11-20, that provides that the individual is to pay the  
25 property taxes on the residence, and that obligates the owner  
26 to convey title to the individual upon completion of all of the  
27 individual's contract obligations;

28 (iii) the individual is entitled to occupy as a  
29 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
30 cooperative housing corporation (as defined in 26 U.S.C.  
31 216); or

32 (iv) is a residence described in section 17.9 of this chapter  
33 ~~(before its expiration)~~ that is owned by a trust if the  
34 individual is an individual described in section 17.9 of this  
35 chapter; ~~(before its expiration)~~; and

36 (C) that consists of a dwelling and includes up to one (1) acre  
37 of land immediately surrounding that dwelling, and any of the  
38 following improvements:

39 (i) Any number of decks, patios, gazebos, or pools.

40 (ii) One (1) additional building that is not part of the  
41 dwelling if the building is predominantly used for a  
42 residential purpose and is not used as an investment property





or as a rental property.

(iii) One (1) additional residential yard structure other than a deck, patio, gazebo, or pool.

Except as provided in subsection (r), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

**(3) "Principal place of residence" means an individual's true, fixed, permanent home to which the individual has the intention of returning after an absence.**

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. Except as provided in subsection (n), the deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

(1) the assessment date; or

(2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

If more than one (1) individual or entity qualifies property as a homestead under subsection (a)(2)(B) for an assessment date, only one (1) standard deduction from the assessed value of the homestead may be applied for the assessment date. Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is:

(1) for assessment dates before January 1, 2025, the lesser of:

(A) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(B) forty-eight thousand dollars (\$48,000); or

(2) for assessment dates after December 31, 2024:

(A) in 2025, forty-eight thousand dollars (\$48,000);

(B) in 2026, forty thousand dollars (\$40,000);

(C) in 2027, thirty thousand dollars (\$30,000);

(D) in 2028, twenty thousand dollars (\$20,000); and

(E) in 2029, ten thousand dollars (\$10,000).

Beginning with the 2030 assessment date, and each assessment date thereafter, the deduction amount under this section is zero (0).

Application of the phase down under this section for assessment dates



1 after December 31, 2024, with regard to mobile homes that are not  
 2 assessed as real property and manufactured homes not assessed as real  
 3 property shall be construed and applied in the same manner in terms of  
 4 timing and consistent with its application for real property.

5 (d) A person who has sold real property, a mobile home not assessed  
 6 as real property, or a manufactured home not assessed as real property  
 7 to another person under a contract that provides that the contract buyer  
 8 is to pay the property taxes on the real property, mobile home, or  
 9 manufactured home may not claim the deduction provided under this  
 10 section with respect to that real property, mobile home, or  
 11 manufactured home.

12 (e) Except as provided in sections 17.8 and 44 of this chapter and  
 13 subject to section 45 of this chapter, an individual who desires to claim  
 14 the deduction provided by this section must file a certified statement on  
 15 forms prescribed by the department of local government finance with  
 16 the auditor of the county in which the homestead is located. The  
 17 statement must include:

18 (1) the parcel number or key number of the property and the name  
 19 of the city, town, or township in which the property is located;

20 (2) the name of any other location in which the applicant or the  
 21 applicant's spouse owns, is buying, or has a beneficial interest in  
 22 residential real property;

23 (3) the names of:

24 (A) the applicant and the applicant's spouse (if any):

25 (i) as the names appear in the records of the United States  
 26 Social Security Administration for the purposes of the  
 27 issuance of a Social Security card and Social Security  
 28 number; or

29 (ii) that they use as their legal names when they sign their  
 30 names on legal documents;

31 if the applicant is an individual; or

32 (B) each individual who qualifies property as a homestead  
 33 under subsection (a)(2)(B) and the individual's spouse (if any):

34 (i) as the names appear in the records of the United States  
 35 Social Security Administration for the purposes of the  
 36 issuance of a Social Security card and Social Security  
 37 number; or

38 (ii) that they use as their legal names when they sign their  
 39 names on legal documents;

40 if the applicant is not an individual; and

41 (4) either:

42 (A) the last five (5) digits of the applicant's Social Security



number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or  
 (B) if the applicant or the applicant's spouse (if any) does not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) The last five (5) digits of a preparer tax identification number that is obtained by the individual through the Internal Revenue Service of the United States.

(iv) If the individual does not have a driver's license, a state identification card, or an Internal Revenue Service preparer tax identification number, the last five (5) digits of a control number that is on a document issued to the individual by the United States government.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed.

(f) To obtain the deduction for a desired calendar year under this section in which property taxes are first due and payable, the individual desiring to claim the deduction must do the following as applicable:

(1) Complete, date, and file the certified statement described in subsection (e) on or before January 15 of the calendar year in which the property taxes are first due and payable.

(2) Satisfy any recording requirements on or before January 15 of the calendar year in which the property taxes are first due and payable for a homestead described in subsection (a)(2).

(g) Except as provided in subsection (l), if a person who is receiving, or seeks to receive, the deduction provided by this section in the person's name:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is not eligible for a deduction under this section because the



1 person is already receiving:

2 (A) a deduction under this section in the person's name as an  
3 individual or a spouse; or

4 (B) a deduction under the law of another state that is  
5 equivalent to the deduction provided by this section;

6 the person must file a certified statement with the auditor of the county,  
7 notifying the auditor of the person's ineligibility, not more than sixty  
8 (60) days after the date of the change in eligibility. A person who fails  
9 to file the statement required by this subsection may, under  
10 IC 6-1.1-36-17, be liable for any additional taxes that would have been  
11 due on the property if the person had filed the statement as required by  
12 this subsection plus a civil penalty equal to ten percent (10%) of the  
13 additional taxes due. The civil penalty imposed under this subsection  
14 is in addition to any interest and penalties for a delinquent payment that  
15 might otherwise be due. One percent (1%) of the total civil penalty  
16 collected under this subsection shall be transferred by the county to the  
17 department of local government finance for use by the department in  
18 establishing and maintaining the homestead property data base under  
19 subsection (j) and, to the extent there is money remaining, for any other  
20 purposes of the department. This amount becomes part of the property  
21 tax liability for purposes of this article.

22 (h) The department of local government finance may adopt rules or  
23 guidelines concerning the application for a deduction under this  
24 section.

25 (i) This subsection does not apply to property in the first year for  
26 which a deduction is claimed under this section if the sole reason that  
27 a deduction is claimed on other property is that the individual or  
28 married couple maintained a principal residence at the other property  
29 on the assessment date in the same year in which an application for a  
30 deduction is filed under this section or, if the application is for a  
31 homestead that is assessed as personal property, on the assessment date  
32 in the immediately preceding year and the individual or married couple  
33 is moving the individual's or married couple's principal residence to the  
34 property that is the subject of the application. Except as provided in  
35 subsection (l), the county auditor may not grant an individual or a  
36 married couple a deduction under this section if:

37 (1) the individual or married couple, for the same year, claims the  
38 deduction on two (2) or more different applications for the  
39 deduction; and

40 (2) the applications claim the deduction for different property.

41 (j) The department of local government finance shall provide secure  
42 access to county auditors to a homestead property data base that



1 includes access to the homestead owner's name and the numbers  
 2 required from the homestead owner under subsection (e)(4) for the sole  
 3 purpose of verifying whether an owner is wrongly claiming a deduction  
 4 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or  
 5 IC 6-3.6-5 (before its expiration). Each county auditor shall submit data  
 6 on deductions applicable to the current tax year on or before March 15  
 7 of each year in a manner prescribed by the department of local  
 8 government finance.

9 (k) A county auditor may require an individual to provide evidence  
 10 proving that the individual's residence is the individual's principal place  
 11 of residence as claimed in the certified statement filed under subsection  
 12 (e). The county auditor may limit the evidence that an individual is  
 13 required to submit to a state income tax return, a valid driver's license,  
 14 or a valid voter registration card showing that the residence for which  
 15 the deduction is claimed is the individual's principal place of residence.  
 16 The county auditor may not deny an application filed under section 44  
 17 of this chapter because the applicant does not have a valid driver's  
 18 license or state identification card with the address of the homestead  
 19 property. The department of local government finance shall work with  
 20 county auditors to develop procedures to determine whether a property  
 21 owner that is claiming a standard deduction or homestead credit is not  
 22 eligible for the standard deduction or homestead credit because the  
 23 property owner's principal place of residence is outside Indiana.

24 (l) A county auditor shall grant an individual a deduction under this  
 25 section regardless of whether the individual and the individual's spouse  
 26 claim a deduction on two (2) different applications and each  
 27 application claims a deduction for different property if the property  
 28 owned by the individual's spouse is located outside Indiana and the  
 29 individual files an affidavit with the county auditor containing the  
 30 following information:

31 (1) The names of the county and state in which the individual's  
 32 spouse claims a deduction substantially similar to the deduction  
 33 allowed by this section.

34 (2) A statement made under penalty of perjury that the following  
 35 are true:

36 (A) That the individual and the individual's spouse maintain  
 37 separate principal places of residence.

38 (B) That neither the individual nor the individual's spouse has  
 39 an ownership interest in the other's principal place of  
 40 residence.

41 (C) That neither the individual nor the individual's spouse has,  
 42 for that same year, claimed a standard or substantially similar



deduction for any property other than the property maintained as a principal place of residence by the respective individuals. A county auditor may require an individual or an individual's spouse to provide evidence of the accuracy of the information contained in an affidavit submitted under this subsection. The evidence required of the individual or the individual's spouse may include state income tax returns, excise tax payment information, property tax payment information, driver's license information, and voter registration information.

(m) If:

- (1) a property owner files a statement under subsection (e) to claim the deduction provided by this section for a particular property; and
- (2) the county auditor receiving the filed statement determines that the property owner's property is not eligible for the deduction; the county auditor shall inform the property owner of the county auditor's determination in writing. If a property owner's property is not eligible for the deduction because the county auditor has determined that the property is not the property owner's principal place of residence, the property owner may appeal the county auditor's determination as provided in IC 6-1.1-15. The county auditor shall inform the property owner of the owner's right to appeal when the county auditor informs the property owner of the county auditor's determination under this subsection.

(n) An individual is entitled to the deduction under this section for a homestead for a particular assessment date if:

(1) either:

- (A) the individual's interest in the homestead as described in subsection (a)(2)(B) is conveyed to the individual after the assessment date, but within the calendar year in which the assessment date occurs; or
- (B) the individual contracts to purchase the homestead after the assessment date, but within the calendar year in which the assessment date occurs;

(2) on the assessment date:

- (A) the property on which the homestead is currently located was vacant land; or
- (B) the construction of the dwelling that constitutes the homestead was not completed; and

(3) either:

- (A) the individual files the certified statement required by subsection (e); or



(B) a sales disclosure form that meets the requirements of section 44 of this chapter is submitted to the county assessor on or before December 31 of the calendar year for the individual's purchase of the homestead.

An individual who satisfies the requirements of subdivisions (1) through (3) is entitled to the deduction under this section for the homestead for the assessment date, even if on the assessment date the property on which the homestead is currently located was vacant land or the construction of the dwelling that constitutes the homestead was not completed. The county auditor shall apply the deduction for the assessment date and for the assessment date in any later year in which the homestead remains eligible for the deduction. A homestead that qualifies for the deduction under this section as provided in this subsection is considered a homestead for purposes of section 37.5 of this chapter and IC 6-1.1-20.6.

(o) This subsection applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013. Notwithstanding any other provision of this section, an individual buying a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property under a contract providing that the individual is to pay the property taxes on the mobile home or manufactured home is not entitled to the deduction provided by this section unless the parties to the contract comply with IC 9-17-6-17.

(p) This subsection:

(1) applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013; and

(2) does not apply to an individual described in subsection (o).

The owner of a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property must attach a copy of the owner's title to the mobile home or manufactured home to the application for the deduction provided by this section.

(q) For assessment dates after 2013, the term "homestead" includes property that is owned by an individual who:

(1) is serving on active duty in any branch of the armed forces of the United States;

(2) was ordered to transfer to a location outside Indiana; and

(3) was otherwise eligible, without regard to this subsection, for the deduction under this section for the property for the assessment date immediately preceding the transfer date specified in the order described in subdivision (2).



For property to qualify under this subsection for the deduction provided by this section, the individual described in subdivisions (1) through (3) must submit to the county auditor a copy of the individual's transfer orders or other information sufficient to show that the individual was ordered to transfer to a location outside Indiana. The property continues to qualify for the deduction provided by this section until the individual ceases to be on active duty, the property is sold, or the individual's ownership interest is otherwise terminated, whichever occurs first. Notwithstanding subsection (a)(2), the property remains a homestead regardless of whether the property continues to be the individual's principal place of residence after the individual transfers to a location outside Indiana. The property continues to qualify as a homestead under this subsection if the property is leased while the individual is away from Indiana and is serving on active duty, if the individual has lived at the property at any time during the past ten (10) years. Otherwise, the property ceases to qualify as a homestead under this subsection if the property is leased while the individual is away from Indiana. Property that qualifies as a homestead under this subsection shall also be construed as a homestead for purposes of section 37.5 of this chapter.

(r) As used in this section, "homestead" includes property that satisfies each of the following requirements:

(1) The property is located in Indiana and consists of a dwelling and includes up to one (1) acre of land immediately surrounding that dwelling, and any of the following improvements:

(A) Any number of decks, patios, gazebos, or pools.

(B) One (1) additional building that is not part of the dwelling if the building is predominately used for a residential purpose and is not used as an investment property or as a rental property.

(C) One (1) additional residential yard structure other than a deck, patio, gazebo, or pool.

(2) The property is the principal place of residence of an individual.

(3) The property is owned by an entity that is not described in subsection (a)(2)(B).

(4) The individual residing on the property is a shareholder, partner, or member of the entity that owns the property.

(5) The property was eligible for the standard deduction under this section on March 1, 2009.

SECTION 15. IC 6-1.1-12.6-2, AS ADDED BY P.L.70-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE





JANUARY 1, 2026 (RETROACTIVE)]: Sec. 2. (a) This section applies only to a model residence that is first assessed as:

- (1) a partially completed structure; or
- (2) a fully completed structure;

for the assessment date in 2009 or a later year.

(b) Except as provided in subsection (c) and sections 4, 5, and 6 of this chapter, and subject to sections 7 and 8 of this chapter, an owner of a model residence is entitled to a deduction from the assessed value of the model residence in the amount of ~~fifty~~ **seventy-five** percent ~~(50%)~~ **(75%)** of the assessed value of the model residence for the following:

- (1) Not more than one (1) assessment date for which the model residence is assessed as a partially completed structure.
- (2) The assessment date for which the model residence is first assessed as a fully completed structure.
- (3) The two (2) assessment dates that immediately succeed the assessment date referred to in subdivision (2).

(c) A deduction allowed for a model residence under this chapter for a particular assessment date is terminated if the model residence is sold:

- (1) after the assessment date of that year but before January 1 of the following year; and
- (2) to a person who does not continue to use the real property as a model residence.

The county auditor shall immediately mail notice of the termination to the former owner, the property owner, and the township assessor. The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction.

SECTION 16. IC 6-1.1-12.6-4, AS ADDED BY P.L.70-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) Subject to section 8 of this chapter, a property owner is entitled to a deduction under this chapter for an assessment date for not more than ~~three (3)~~ **seven (7)** model residences in Indiana.

(b) The auditor of a county (referred to in this section as the "first county") with whom a statement is filed under section 3 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the property owner that claims the deduction owns or is buying a model residence located in the second county.

(c) The county auditor of the second county shall note on the copy of the statement whether the property owner has claimed a deduction



1 for the current year under section 3 of this chapter for a model  
 2 residence located in the second county. The county auditor shall then  
 3 return the copy of the statement to the auditor of the first county.

4 SECTION 17. IC 6-1.1-12.6-8, AS ADDED BY P.L.70-2008,  
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 8. The aggregate number  
 7 of deductions claimed under this chapter for a particular assessment  
 8 date by the owners of model residences who are a part of an affiliated  
 9 group may not exceed ~~three (3)~~ **seven (7)**.

10 SECTION 18. IC 6-1.1-12.8-3, AS ADDED BY P.L.175-2011,  
 11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) This chapter  
 13 applies only to a residence in inventory that is first assessed as:

14 (1) a partially completed structure; or

15 (2) a fully completed structure;

16 for the assessment date in 2012 or a later year.

17 (b) Except as provided in subsections (c) and (d) and sections 5 and  
 18 6 of this chapter, and subject to section 7 of this chapter, a residential  
 19 builder that is the owner of a residence in inventory is entitled to a  
 20 deduction from the assessed value of the residence in inventory in the  
 21 amount of ~~fifty~~ **seventy-five** percent (~~50%~~) (**75%**) of the assessed  
 22 value of the residence in inventory for the following:

23 (1) Not more than one (1) assessment date for which the residence  
 24 in inventory is assessed as a partially completed structure.

25 (2) The assessment date for which the residence in inventory is  
 26 first assessed as a fully completed structure.

27 (3) The two (2) assessment dates that immediately succeed the  
 28 assessment date referred to in subdivision (2).

29 (c) A deduction allowed for a residence in inventory under this  
 30 chapter for a particular assessment date is terminated if title to the  
 31 residence in inventory is transferred:

32 (1) after the assessment date of that year but before January 1 of  
 33 the following year; and

34 (2) to a person for whom the real property does not qualify as a  
 35 residence in inventory.

36 The county auditor shall immediately mail notice of the termination to  
 37 the former owner, the property owner, and the township assessor (or the  
 38 county assessor if there is no township assessor for the township). The  
 39 county auditor shall remove the deduction from the tax duplicate and  
 40 shall notify the county treasurer of the termination of the deduction.

41 (d) A deduction for a residence in inventory under this chapter does  
 42 not apply for a particular assessment date if the residence in inventory



1 is leased for any purpose for any part of the calendar year in which the  
2 assessment date occurs.

3 SECTION 19. IC 6-1.1-12.8-4, AS AMENDED BY P.L.136-2024,  
4 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) A property owner  
6 that qualifies for the deduction under this chapter and that desires to  
7 receive the deduction for a calendar year must complete and date a  
8 statement containing the information required by subsection (b) and  
9 file the statement with the county auditor on or before January 15 of the  
10 immediately succeeding calendar year. The township assessor, or the  
11 county assessor if there is no township assessor for the township, shall  
12 verify each statement filed under this section, and the county auditor  
13 shall:

- 14 (1) make the deductions; and
- 15 (2) notify the county property tax assessment board of appeals of  
16 all deductions approved;

17 under this section.

18 (b) The statement referred to in subsection (a) must be verified  
19 under penalties for perjury and must contain the following information:

- 20 (1) The assessed value of the real property for which the person  
21 is claiming the deduction.
- 22 (2) The full name and complete business address of the person  
23 claiming the deduction.
- 24 (3) The complete address and a brief description of the real  
25 property for which the person is claiming the deduction.
- 26 (4) The name of any other county in which the person has applied  
27 for a deduction under this chapter for that assessment date.
- 28 (5) The complete address and a brief description of any other real  
29 property for which the person has applied for a deduction under  
30 this chapter for that assessment date.
- 31 (6) An affirmation by the owner that the owner is receiving not  
32 more than ~~three (3)~~ **seven (7)** deductions under this chapter,  
33 including the deduction being applied for by the owner, either:
- 34 (A) as the owner of the residence in inventory; or
- 35 (B) as an owner that is part of an affiliated group.
- 36 (7) An affirmation that the real property has not been leased and  
37 will not be leased for any purpose during the term of the  
38 deduction.

39 SECTION 20. IC 6-1.1-12.8-9, AS ADDED BY P.L.175-2011,  
40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Subject to section  
42 10 of this chapter, a property owner is entitled to a deduction under this



chapter for an assessment date for not more than ~~three (3)~~ **seven (7)** residences in inventory in Indiana.

(b) The auditor of a county (referred to in this section as the "first county") with whom a statement is filed under section 4 of this chapter shall immediately prepare and transmit a copy of the statement to the auditor of any other county (referred to in this section as the "second county") if the property owner that claims the deduction owns or is buying a residence in inventory located in the second county.

(c) The county auditor of the second county shall note on the copy of the statement whether the property owner has claimed a deduction for the current year under section 4 of this chapter for a residence in inventory located in the second county. The county auditor shall then return the copy of the statement to the auditor of the first county.

SECTION 21. IC 6-1.1-12.8-10, AS ADDED BY P.L.175-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 10. The aggregate number of deductions claimed under this chapter for a particular assessment date by the owners of residences in inventory who are a part of an affiliated group may not exceed ~~three (3)~~ **seven (7)**.

SECTION 22. IC 6-1.1-17-1, AS AMENDED BY P.L.230-2025, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall submit a certified statement of the assessed value for the ensuing year to the department of local government finance in the manner prescribed by the department.

(b) The department of local government finance shall make the certified statement available on the department's computer gateway.

(c) Subject to subsection (d), after the county auditor submits a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(i) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall, in a manner prescribed by the department, submit a certified statement amended under this subsection to the department of local government finance by the later of:

(1) September 1;

(2) fifteen (15) days after the original certified statement is submitted to the department under subsection (a); or

(3) fifteen (15) days after the department of local government



1 finance notifies the county auditor of an error in the original  
 2 certified statement submitted under subsection (a) that the  
 3 department determines must be corrected.

4 (d) Before the county auditor makes an amendment under  
 5 subsection (c), the county auditor must provide an opportunity for  
 6 public comment on the proposed amendment at a public hearing. The  
 7 county auditor must give notice of the hearing under IC 5-3-1. If the  
 8 county auditor makes the amendment as a result of information  
 9 provided to the county auditor by an assessor, the county auditor shall  
 10 give notice of the public hearing to the assessor.

11 (e) Beginning in 2018, each county auditor shall submit to the  
 12 department of local government finance parcel level data of certified  
 13 net assessed values as required by the department. A county auditor  
 14 shall submit the parcel level data in the manner and format required by  
 15 the department and according to a schedule determined by the  
 16 department.

17 (f) When the county auditor submits the certified statement under  
 18 subsection (a), the county auditor shall exclude the amount of assessed  
 19 value for any property located in the county for which:

20 (1) an appeal has been filed under IC 6-1.1-15; and

21 (2) there is no final disposition of the appeal as of the date the  
 22 county auditor submits the certified statement under subsection  
 23 (a).

24 The county auditor may appeal to the department of local government  
 25 finance to include the amount of assessed value under appeal within a  
 26 taxing district for that calendar year.

27 (f) If the county auditor fails to submit a certified statement of  
 28 the assessed value for the ensuing year to the department of local  
 29 government finance on or before August 1 in accordance with  
 30 subsection (a), then the county auditor shall provide electronic  
 31 notice by August 1 of the same calendar year to the county fiscal  
 32 body, the department of local government finance, and each  
 33 political subdivision in the county subject to section 16 of this  
 34 chapter. The electronic notice must include a written statement  
 35 acknowledging noncompliance and detail the reasons why the  
 36 statutory deadline set forth in subsection (a) was not met.

37 (g) The department of local government finance shall, before  
 38 February 2, 2027, and before February 2 of each year thereafter,  
 39 submit a report of the counties that failed to meet the statutory  
 40 deadline set forth in subsection (a) to the legislative services agency  
 41 for distribution to the members of the legislative council. The  
 42 report must be in an electronic format under IC 5-14-6.



SECTION 23. IC 6-1.1-18-28 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 28: (a) The executive of a township may, upon approval by the township fiscal body, submit a petition to the department of local government finance for an increase in the township's maximum permissible ad valorem property tax levy for its township firefighting and emergency services fund under IC 36-8-13-4(a)(1) or the levies for the township firefighting fund and township emergency services fund described in IC 36-8-13-4(a)(2); as applicable, for property taxes for any year for which a petition is submitted under this section.

(b) If the township submits a petition as provided in subsection (a) before April 1 of a year, the department of local government finance shall increase the township's maximum permissible ad valorem property tax levy for the township firefighting and emergency services fund under IC 36-8-13-4(a)(1) or the combined levies for the township firefighting fund and township emergency services fund described in IC 36-8-13-4(a)(2); as applicable, for property taxes first due and payable in the immediately succeeding year by using the following formula for purposes of subsection (c)(2):

STEP ONE: Determine the percentage increase in the population, as determined by the township fiscal body and as may be prescribed by the department of local government finance, that is within the fire protection and emergency services area of the township during the ten (10) year period immediately preceding the year in which the petition is submitted under subsection (a). The township fiscal body may use the most recently available population data issued by the Bureau of the Census during the ten (10) year period immediately preceding the petition.

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the STEP ONE percentage, minus

(B) six percent (6%);

expressed as a decimal.

STEP THREE: Determine a rate that is the lesser of:

(A) fifteen-hundredths (0.15); or

(B) the STEP TWO result.

STEP FOUR: Reduce the STEP THREE rate by any rate increase in the township's property tax rate or rates for its township firefighting and emergency services fund; township firefighting fund; or township emergency services fund; as applicable, within the immediately preceding ten (10) year period that was made based on a petition submitted by the township under this section.

(c) The township's maximum permissible ad valorem property tax levy for its township firefighting and emergency services fund under



1 IC 36-8-13-4(a)(1) or the combined levies for the township firefighting  
 2 fund and township emergency services fund described in  
 3 IC 36-8-13-4(a)(2) for property taxes first due and payable in a given  
 4 year, as adjusted under this section, shall be calculated as:

5 (1) the amount of the ad valorem property tax levy increase for  
 6 the township firefighting and emergency services fund under  
 7 IC 36-8-13-4(a)(1) or the combined levies for the township  
 8 firefighting fund and township emergency services fund described  
 9 in IC 36-8-13-4(a)(2), as applicable, without regard to this  
 10 section; plus

11 (2) an amount equal to the result of:

12 (A) the rate determined under the formula in subsection (b);  
 13 multiplied by

14 (B) the net assessed value of the fire protection and emergency  
 15 services area divided by one hundred (100):

16 The calculation under this subsection shall be used in the determination  
 17 of the township's maximum permissible ad valorem property tax levy  
 18 under IC 36-8-13-4 for property taxes first due and payable in the first  
 19 year of the increase and thereafter:

20 SECTION 24. IC 6-1.1-18-29 IS REPEALED [EFFECTIVE JULY  
 21 1, 2026]. Sec. 29: (a) The board of trustees of a fire protection district  
 22 may, upon approval by the county legislative body, submit a petition to  
 23 the department of local government finance for an increase in the fire  
 24 protection district's maximum permissible ad valorem property tax levy  
 25 for property taxes first due and payable in 2021 or for any year  
 26 thereafter for which a petition is submitted under this section:

27 (b) If a petition is submitted as provided in subsection (a) before  
 28 August 1, 2020, or April 1 of a year thereafter, the department of local  
 29 government finance shall increase the fire protection district's  
 30 maximum permissible ad valorem property tax levy for property taxes  
 31 first due and payable in the immediately succeeding year by using the  
 32 following formula for purposes of subsection (c)(2):

33 STEP ONE: Determine the percentage increase in the population;  
 34 as determined by the county legislative body and as may be  
 35 prescribed by the department of local government finance; that is  
 36 within the fire protection district area during the ten (10) year  
 37 period immediately preceding the year in which the petition is  
 38 submitted under subsection (a). The county legislative body may  
 39 use the most recently available population data issued by the  
 40 Bureau of the Census during the ten (10) year period immediately  
 41 preceding the petition.

42 STEP TWO: Determine the greater of zero (0) or the result of:



(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal.

STEP THREE: Determine a rate that is the lesser of:

(A) fifteen-hundredths (0.15); or

(B) the STEP TWO result.

STEP FOUR: Reduce the STEP THREE rate by any rate increase in the fire protection district's property tax rate within the immediately preceding ten (10) year period that was made based on a petition submitted by the fire protection district under this section.

(c) The fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in a given year; as adjusted under this section; shall be calculated as:

(1) the amount of the ad valorem property tax levy increase for the fire protection district without regard to this section; plus

(2) an amount equal to the result of:

(A) the rate determined under the formula in subsection (b); multiplied by

(B) the net assessed value of the fire protection district area divided by one hundred (100).

The calculation under this subsection shall be used in the determination of the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in the first year of the increase and thereafter.

SECTION 25. IC 6-1.1-18-29.5 IS REPEALED [EFFECTIVE JULY 1, 2026]. Sec. 29.5: (a) The executive of a unit serving as the provider unit of a fire protection territory may; upon approval by the provider unit's fiscal body; submit a petition to the department of local government finance for an increase in the fire protection territory's maximum permissible ad valorem property tax levy for its fire protection territory fund under IC 36-8-19-8 for property taxes first due and payable in 2023 or for any year thereafter for which a petition is submitted under this section.

(b) If a petition is submitted as provided in subsection (a) before August 1, 2022, or April 1 of a year thereafter, the department of local government finance shall increase the fire protection territory's maximum permissible ad valorem property tax levy for the fire protection territory fund under IC 36-8-19-8 for property taxes first due and payable in the immediately succeeding year by using the following formula for purposes of subsection (c)(2):

STEP ONE: Determine the percentage increase in the population;





as determined by the provider unit's fiscal body and as may be prescribed by the department of local government finance; that is within the fire protection territory area during the ten (10) year period immediately preceding the year in which the petition is submitted under subsection (a). The provider unit's fiscal body may use the most recently available population data issued by the Bureau of the Census during the ten (10) year period immediately preceding the petition.

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal.

STEP THREE: Determine a rate that is the lesser of:

(A) fifteen-hundredths (0.15); or

(B) the STEP TWO result.

STEP FOUR: Reduce the STEP THREE rate by any rate increase in the fire protection territory's property tax rate for its fire protection territory fund within the immediately preceding ten (10) year period that was made based on a petition submitted by the fire protection territory under this section.

(c) The fire protection territory's maximum permissible ad valorem property tax levy for its fire protection territory fund under IC 36-8-19-8 for property taxes first due and payable in a given year; as adjusted under this section; shall be calculated as:

(1) the amount of the ad valorem property tax levy increase for the fire protection territory fund without regard to this section; plus

(2) an amount equal to the result of:

(A) the rate determined under the formula in subsection (b); multiplied by

(B) the net assessed value of the fire protection territory area divided by one hundred (100).

The calculation under this subsection shall be used in the determination of the fire protection territory's maximum permissible ad valorem property tax levy under IC 36-8-19-8 for property taxes first due and payable in the first year of the increase and thereafter.

SECTION 26. IC 6-1.1-18.5-7, AS AMENDED BY P.L.159-2020, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year: exist as of January 1 in the



1 **calendar year that immediately precedes the ensuing calendar**  
 2 **year.**

3 (b) If under subsection (a) a civil taxing unit is not subject to the  
 4 levy limits imposed under section 3 of this chapter for an ensuing  
 5 calendar year, the civil taxing unit shall, ~~before June 30 of in the~~  
 6 immediately preceding year, ~~refer its proposed~~ **adopt its** budget, ad  
 7 valorem property tax levy, and property tax rate for the ensuing  
 8 calendar year ~~to and file the adopted budget, ad valorem property~~  
 9 **tax levy, and property tax rate with** the department of local  
 10 government finance **as required by IC 6-1.1-17-5.** The department of  
 11 local government finance shall ~~make a final determination of review~~  
 12 the civil taxing unit's budget, ad valorem property tax levy, and  
 13 property tax rate for the ensuing calendar year **to ensure the adopted**  
 14 **budget is fundable based on the civil taxing unit's adopted tax levy**  
 15 **and estimates of available revenues. If the adopted budget is**  
 16 **fundable, the department of local government finance shall certify**  
 17 **the adopted ad valorem property tax levy for the ensuing calendar**  
 18 **year.** However, a civil taxing unit may not impose a property tax levy  
 19 for an ensuing calendar year if the unit did not exist as of January 1 of  
 20 the immediately preceding year.

21 (c) This subsection does not apply to an ad valorem property tax  
 22 levy imposed by a civil taxing unit for fire protection services within  
 23 a fire protection territory under IC 36-8-19. In determining a budget, ad  
 24 valorem property tax levy, and property tax rate under subsection (b),  
 25 the department shall consider the effect of a property tax levy on a local  
 26 income tax distribution to the civil taxing unit under IC 6-3.6-6.

27 SECTION 27. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.184-2016,  
 28 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2026]: Sec. 9.8. (a) For purposes of determining the property  
 30 tax levy limit imposed on a city, town, or county under section 3 of this  
 31 chapter, the city, town, or county's ad valorem property tax levy for a  
 32 particular calendar year does not include an amount equal to the  
 33 amount of ad valorem property taxes that would be first due and  
 34 payable to the city, town, or county during the ensuing calendar year if  
 35 the taxing unit imposed ~~the maximum permissible~~ **a certified** property  
 36 tax rate per one hundred dollars (\$100) of assessed valuation that the  
 37 civil taxing unit may impose for the particular calendar year under the  
 38 authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in  
 39 the case of a city or town).

40 (b) Before July 15 of each year, the department of local government  
 41 finance shall provide to each county, city, and town an estimate of the  
 42 maximum permissible property tax rate per one hundred dollars (\$100)



1 of assessed valuation that the county, city, or town may impose for the  
 2 ensuing year under IC 36-9-14.5 (in the case of a county) or  
 3 IC 36-9-15.5 (in the case of a city or town).

4 SECTION 28. IC 6-1.1-20.6-3, AS AMENDED BY P.L.68-2025,  
 5 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. As used in this  
 7 chapter, "property tax liability" means, for purposes of:

8 (1) this chapter, other than section 7.7 or 8.5 of this chapter,  
 9 liability for the tax imposed on property under this article  
 10 determined after application of all credits and deductions under  
 11 this article or IC 6-3.6, except the credit granted by section 7 or  
 12 7.5 of this chapter, but does not include any interest or penalty  
 13 imposed under this article;

14 (2) section 8.5 of this chapter, liability for the tax imposed on  
 15 property under this article determined after application of all  
 16 credits and deductions under this article or IC 6-3.6, including the  
 17 credits granted by sections 7, 7.5, and 7.7 of this chapter, but not  
 18 including the credit granted under section 8.5 of this chapter or  
 19 any interest or penalty imposed under this article; and

20 (3) section 7.7 of this chapter, liability for the tax imposed on  
 21 property under this article determined after application of all  
 22 credits and deductions under this article or IC 6-3.6, including the  
 23 credit granted by section 7 or 7.5 of this chapter, but not including  
 24 **the credit granted under IC 6-3.6-6-3.1**, the credits granted  
 25 under section 7.7 or 8.5 of this chapter or any interest or penalty  
 26 imposed under this article.

27 SECTION 29. IC 6-1.1-20.6-9.5, AS AMENDED BY P.L.272-2019,  
 28 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9.5. (a) This section  
 30 applies only to credits under this chapter against property taxes first  
 31 due and payable after December 31, 2006.

32 (b) The application of the credit under this chapter, **IC 6-1.1-49, or**  
 33 **IC 6-1.1-51.3** results in a reduction of the property tax collections of  
 34 each political subdivision in which the credit is applied. Except as  
 35 provided in IC 20-46-1 and IC 20-46-9, a political subdivision may not  
 36 increase its property tax levy to make up for that reduction.

37 (c) A political subdivision may not borrow money to compensate the  
 38 political subdivision or any other political subdivision for the reduction  
 39 of property tax collections referred to in subsection (b).

40 SECTION 30. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.9-2024,  
 41 SECTION 171, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) This section applies to



property taxes first due and payable after December 31, 2009.

(b) The following definitions apply throughout this section:

(1) "Debt service obligations of a political subdivision" refers to:

(A) the principal and interest payable during a calendar year on bonds; and

(B) lease rental payments payable during a calendar year on leases;

of a political subdivision payable from ad valorem property taxes.

(2) "Protected taxes" refers to the following:

(A) Property taxes that are exempted from the application of a credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another law.

(B) Property taxes imposed by a political subdivision to pay for debt service obligations of a political subdivision that are not exempted from the application of a credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or any other law. Property taxes described in this clause are subject to the credit granted under section 7 or 7.5 of this chapter by section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter regardless of their designation as protected taxes.

(3) "Unprotected taxes" refers to property taxes that are not protected taxes.

(c) Except as provided in section 9.9 of this chapter, the total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined as if no credit were granted under section 7, ~~or~~ 7.5, ~~or~~ 7.7 of this chapter **or under IC 6-1.1-49**. The total amount of the loss in revenue resulting from the granting of credits under section 7, ~~or~~ 7.5, ~~or~~ 7.7 of this chapter **or under IC 6-1.1-49** must reduce only the amount of unprotected taxes distributed to a fund using the following criteria:

(1) The reduction may be allocated in the amounts determined by the political subdivision using a combination of unprotected taxes of the political subdivision in those taxing districts in which the credit caused a reduction in protected taxes.

(2) The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

(d) When:

(1) the revenue that otherwise would be distributed to a fund receiving only unprotected taxes is reduced entirely under subsection (c) and the remaining revenue is insufficient for a fund



receiving protected taxes to receive the revenue specified by subsection (c); or

(2) there is not a fund receiving only unprotected taxes from which to distribute revenue;

the revenue distributed to the fund receiving protected taxes must also be reduced. If the revenue distributed to a fund receiving protected taxes is reduced, the political subdivision may transfer money from one (1) or more of the other funds of the political subdivision to offset the loss in revenue to the fund receiving protected taxes. The transfer is limited to the amount necessary for the fund receiving protected taxes to receive the revenue specified under subsection (c). The amount transferred shall be specifically identified as a debt service obligation transfer for each affected fund.

SECTION 31. IC 6-1.1-20.6-9.9, AS AMENDED BY P.L.236-2023, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.9. (a) This subsection applies to credits allocated before January 1, 2024. If:

(1) a school corporation after July 1, 2016, issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than:

(A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or

(B) indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law; and

(2) the school corporation's:

(A) total debt service levy is greater than the school corporation's total debt service levy in 2016; and

(B) total debt service tax rate is greater than the school corporation's total debt service tax rate in 2016;

the school corporation is not eligible to allocate credits proportionately under this section.

(b) This subsection applies to credits allocated after December 31, 2023. A school corporation is not eligible to allocate credits proportionately under this section, if a school corporation after July 1, 2023, issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than:

(1) to refinance or renew prior bond or lease rental obligations existing before January 1, 2024, but only if the refinancing or renewal is for a lower interest rate; or

(2) indebtedness that is approved in a local public question or



referendum under IC 6-1.1-20 or any other law.

(c) Subject to subsection (a) (before January 1, 2024) and subsection (b) (after December 31, 2023), a school corporation is eligible to allocate credits proportionately under this section for 2019, 2020, 2021, 2022, 2023, 2024, 2025, or 2026 if the school corporation's percentage computed under this subsection is at least ten percent (10%) for its operations fund levy as certified by the department of local government finance. A school corporation shall compute its percentage under this subsection as determined under the following formula:

STEP ONE: Determine the amount of credits granted under this chapter against the school corporation's levy for the school corporation's operations fund.

STEP TWO: Determine the amount of the school corporation's levy that is attributable to new debt incurred after June 30, 2019, but is not attributable to the debt service levy described in subsection (a)(1)(B) (before January 1, 2024) or subsection (b)(2) (after December 31, 2023).

STEP THREE: Determine the result of the school corporation's total levy minus any referendum levy.

STEP FOUR: Subtract the STEP TWO amount from the STEP THREE amount.

STEP FIVE: Divide the STEP FOUR amount by the STEP THREE amount expressed as a percentage.

STEP SIX: Multiply the STEP ONE amount by the STEP FIVE percentage.

STEP SEVEN: Determine the school corporation's levy for the school corporation's operations fund.

STEP EIGHT: Divide the STEP SIX amount by the STEP SEVEN amount expressed as a percentage.

The computation must be made by taking into account the requirements of section 9.8 of this chapter regarding protected taxes and the impact of credits granted under this chapter on the revenue to be distributed to the school corporation's operations fund for the particular year.

(d) A school corporation that desires to be an eligible school corporation under this section must, before May 1 of the year for which it wants a determination, submit a written request for a certification by the department of local government finance that the computation of the school corporation's percentage under subsection (c) is correct. The department of local government finance shall, not later than June 1 of that year, determine whether the percentage computed by the school corporation under subsection (c) is accurate and certify whether the school corporation is eligible under this section.



(e) For a school corporation that is certified as eligible under this section, the school corporation may allocate the effect of the credits granted under this chapter **and IC 6-1.1-49** proportionately among all the school corporation's property tax funds that are not exempt under section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund and without taking into account the requirements of section 9.8 of this chapter regarding protected taxes as determined under the following formula:

STEP ONE: Determine the product of:

- (A) the percentage determined under STEP EIGHT of subsection (c); multiplied by
- (B) five (5).

STEP TWO: Determine the lesser of the STEP ONE percentage or one hundred percent (100%).

STEP THREE: Determine the product of:

- (A) the amount determined under STEP SIX of subsection (c); multiplied by
- (B) the STEP TWO percentage.

The school corporation may allocate the amount of credits determined under STEP THREE proportionately under this section. The department of local government finance shall include in its certification of an eligible school corporation under subsection (d) the amount of credits that the school corporation may allocate proportionately as determined under this subsection.

(f) This section expires January 1, 2027.

SECTION 32. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. As used in this chapter, "base assessed value" means the base assessed value as that term is defined or used in:

- (1) ~~IC 6-1.1-39-5(h);~~ **IC 6-1.1-39-5(i);**
- (2) IC 8-22-3.5-9(a);
- (3) IC 8-22-3.5-9.5;
- (4) IC 36-7-14-39(a);
- (5) IC 36-7-14-39.2;
- (6) IC 36-7-14-39.3(c);
- (7) IC 36-7-14-48;
- (8) IC 36-7-14.5-12.5;
- (9) IC 36-7-15.1-26(a);
- (10) IC 36-7-15.1-26.2(c);
- (11) IC 36-7-15.1-35(a);
- (12) IC 36-7-15.1-35.5;



- (13) IC 36-7-15.1-53;
- (14) IC 36-7-15.1-55(c);
- (15) IC 36-7-30-25(a)(2);
- (16) IC 36-7-30-26(c);
- (17) IC 36-7-30.5-30; or
- (18) IC 36-7-30.5-31.

SECTION 33. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. As used in this chapter, "property taxes" means:

(1) property taxes, as defined in:

- (A) ~~IC 6-1.1-39-5(g)~~; **IC 6-1.1-39-5(h)**;
- (B) IC 36-7-14-39(a);
- (C) IC 36-7-14-39.2;
- (D) IC 36-7-14-39.3(c);
- (E) IC 36-7-14.5-12.5;
- (F) IC 36-7-15.1-26(a);
- (G) IC 36-7-15.1-26.2(c);
- (H) IC 36-7-15.1-53(a);
- (I) IC 36-7-15.1-55(c);
- (J) IC 36-7-30-25(a)(3);
- (K) IC 36-7-30-26(c);
- (L) IC 36-7-30.5-30; or
- (M) IC 36-7-30.5-31; or

(2) for allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

SECTION 34. IC 6-1.1-24-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) As used in this section,

"common area" has the meaning set forth in IC 6-1.1-10-37.5(a).

(b) As used in this section, "residential development" has the meaning set forth in IC 6-1.1-10-37.5(c).

(c) In addition to the notices required under section 3 of this chapter, if a common area in a residential development is eligible for sale under this chapter, the county auditor shall provide, by certified mail, a copy of the notice required by section 2 of this chapter to the:

- (1) executive of a city or town, if the common area is located within the corporate boundaries of a city or town; or
- (2) county executive, if the common area is located in the unincorporated area of a county;

at least twenty-one (21) days before the date of application for





**judgment and order for sale.**

SECTION 35. IC 6-1.1-24-5.7, AS AMENDED BY P.L.26-2023, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 5.7. (a) The county treasurer shall require each person who will be bidding at the tax sale to sign a statement in a form substantially similar to the following:

"Indiana law prohibits a person who owes delinquent taxes, special assessments, penalties, interest, or costs directly attributable to a prior tax sale of a tract or item of real property listed under IC 6-1.1-24-1 from bidding on or purchasing tracts or items of real property at a tax sale. I hereby affirm under the penalties for perjury that I do not owe delinquent taxes, special assessments, penalties, interest, costs directly attributable to a prior tax sale, amounts from a final adjudication in favor of a political subdivision, any civil penalties imposed for the violation of a building code or county ordinance, or any civil penalties imposed by a county health department. I also affirm that I am not purchasing tracts or items of real property on behalf of or as an agent for a person who is prohibited from purchasing at a tax sale. Further, I hereby acknowledge that any successful bid I make in violation of this statement is subject to forfeiture. I further acknowledge that I will not assign a certificate of sale for any tract or item of real property purchased to a person who is prohibited from bidding on or purchasing real property at a tax sale. In the event of forfeiture, the amount by which my bid exceeds the minimum bid on the tract or item or real property under IC 6-1.1-24-5(e), if any, shall be applied to the delinquent taxes, special assessments, penalties, interest, costs, judgments, or civil penalties I owe, and a certificate will be issued to the county executive. I further acknowledge that a person who knowingly or intentionally provides false information on this affidavit commits perjury, a Level 6 felony."

(b) If a person purchases real property that the person was not eligible to purchase under section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this chapter, the sale of the real property is subject to forfeiture. If the county treasurer determines or is notified not more than forty-five (45) days after the date of the sale that the sale of the real property should be forfeited, the county treasurer shall:

(1) not more than five (5) days after the county treasurer is notified, notify the person in writing by first class mail that the sale is subject to forfeiture if the person does not pay the amounts the person owes within fifteen (15) days of the date the written



notice is mailed;

(2) if the person does not meet the conditions described in subdivision (1) within fifteen (15) days after the written notice is mailed, apply the surplus amount of the person's bid, if any, to the delinquent taxes, special assessments, penalties, and interest on the real property;

(3) remit the amounts owed from a final adjudication or civil penalties in favor of a political subdivision to the political subdivision;

(4) notify the county auditor that the sale has been forfeited; and

(5) file with the county recorder a certification identifying the forfeited sale that includes:

(A) the date of the sale;

(B) the name of the buyer;

(C) the property identification number of the real property;

(D) the real property's legal description; and

(E) a statement that the sale has been forfeited and is null and void because the buyer was not eligible to purchase the real property.

Upon being notified that a sale has been forfeited, the county auditor shall issue a certificate to the county executive under section 6 of this chapter.

(c) A county treasurer may decline to forfeit a sale under this section because of inadvertence or mistake, lack of actual knowledge by the bidder, substantial harm to other parties with interests in the real property, or other substantial reasons. If the treasurer declines to forfeit a sale, the treasurer shall:

(1) prepare a written statement explaining the reasons for declining to forfeit the sale;

(2) retain the written statement as an official record; and

(3) file with the county recorder a certification that includes:

(A) the date of the sale;

(B) the name of the buyer;

(C) the property identification number of the real property;

(D) the real property's legal description; and

(E) a statement that the sale has not been forfeited and is valid.

(d) If a sale is forfeited under this section and the tract or item of real property is redeemed from the sale, the county auditor shall deposit the amount of the redemption into the county general fund and notify the county executive of the redemption. Upon being notified of the redemption, the county executive shall surrender the certificate to the county auditor.



(e) If a county treasurer does not take action under subsection (b) within forty-five (45) days of the date the county treasurer determines or is notified that a sale should be forfeited, the person is deemed to be an eligible purchaser for that sale of that real property.

(f) If a tax deed is issued for real property under IC 6-1.1-25-4, this section cannot be invoked to invalidate, rescind, or set aside the tax deed.

SECTION 36. IC 6-1.1-24-5.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 5.9. (a) As used in this section, "business entity" refers to any of the following:**

- (1) A sole proprietorship.**
- (2) A professional practice.**
- (3) An unincorporated association.**
- (4) A partnership.**
- (5) A limited partnership.**
- (6) A limited liability partnership.**
- (7) A corporation.**
- (8) A professional corporation.**
- (9) A limited liability company.**
- (10) A trust.**
- (11) A business trust.**
- (12) A real estate investment trust.**
- (13) A fiduciary.**
- (14) Any other form of organization permitted under Indiana law for business purposes.**

**(b) An individual or business entity may not bid or purchase a tract or item of real property offered for sale under section 5 or 6.1 of this chapter if:**

- (1) the individual; or**
- (2) an individual with a significant ownership interest or financial interest in the business entity also held a significant ownership interest or financial interest in another business entity that;**

**previously purchased a tract or item of real property offered for sale under section 5 or 6.1 of this chapter and the tract or item of real property was subsequently included on the list prepared under section 1 of this chapter.**

SECTION 37. IC 6-1.1-24-9, AS AMENDED BY P.L.26-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 9. (a) Immediately after a tax sale purchaser pays the bid, as evidenced by the receipt of the**



1 county treasurer, or immediately after the county acquires a lien under  
 2 section 6 of this chapter, the county auditor shall deliver a certificate  
 3 of sale to the purchaser or to the county or to the city. The certificate  
 4 shall be signed by the auditor and registered in the auditor's office. The  
 5 certificate shall contain:

6 (1) a description of real property that corresponds to the  
 7 description used on the notice of sale;

8 (2) the name of:

9 (A) the owner of record at the time of the sale of real property  
 10 with a single owner; or

11 (B) at least one (1) of the owners of real property with multiple  
 12 owners;

13 (3) the mailing address of the owner of the real property sold as  
 14 indicated in the records of the county auditor;

15 (4) the name and mailing address of the purchaser;

16 (5) the date of sale;

17 (6) the amount for which the real property was sold;

18 (7) the amount of the minimum bid for which the tract or real  
 19 property was offered at the time of sale as required by section 5  
 20 of this chapter;

21 (8) the date when the period of redemption specified in  
 22 IC 6-1.1-25-4 will expire;

23 (9) the court cause number under which judgment was obtained;  
 24 and

25 (10) the street address, if any, or common description of the real  
 26 property.

27 (b) When a certificate of sale is issued under this section, the  
 28 purchaser acquires a lien against the real property for the entire amount  
 29 paid. The lien of the purchaser is superior to all liens against the real  
 30 property which exist at the time the certificate is issued.

31 (c) A certificate of sale is assignable. However, a purchaser who  
 32 acquires a certificate of sale may not assign the certificate of sale to a  
 33 person who was not eligible under section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this  
 34 chapter to bid on or purchase real property at a tax sale held under  
 35 section 5 or 6.1 of this chapter until the person satisfies the eligibility  
 36 requirements as determined by the county auditor. In addition to the  
 37 prohibition on the assignment of a tax sale certificate to a person  
 38 described in section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this chapter until the  
 39 person satisfies the eligibility requirements as determined by the county  
 40 auditor, a county legislative body may adopt an ordinance further  
 41 prohibiting the assignment of a certificate of sale acquired at a  
 42 treasurer's sale (pursuant to section 5 of this chapter) or at a county



executive's tax sale (pursuant to section 6.1 of this chapter) prior to the issuance of a tax deed for the real property by the county auditor.

(d) An assignment not prohibited by an ordinance adopted under subsection (c) is not valid unless the county auditor first determines the person is eligible to receive the assignment. If the county auditor determines the person is eligible to receive the assignment, the following requirements apply:

(1) The assignment must be acknowledged before an officer authorized to take acknowledgments of deeds.

(2) The assignment must be registered in the office of the county auditor and noted in the county auditor's tax sale record under IC 6-1.1-25-8.

When a certificate of sale is assigned, the assignee acquires the same rights and obligations that the original purchaser acquired.

(e) Subject to IC 36-1-11-8, the county executive may assign a certificate of sale held in the name of the county executive to any political subdivision. If an assignment is made under this subsection:

(1) the period of redemption of the real property under IC 6-1.1-25 is one hundred twenty (120) days after the date of the assignment; and

(2) notwithstanding IC 6-1.1-25-4.5(a) through IC 6-1.1-25-4.5(c), the assignee must transmit the notices required under IC 6-1.1-25-4.5 not later than ninety (90) days after the date of the assignment.

If the real property is not redeemed during the period of redemption, the assignee may petition the court for a tax deed under IC 6-1.1-25-4.6 not later than ninety (90) days after the expiration of the period of redemption.

SECTION 38. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019, SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of



the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory



1 ordinance is the lesser of:

- 2 (1) the assessed value of the property for the assessment date with  
 3 respect to which the allocation and distribution is made; or  
 4 (2) the base assessed value.

5 (d) Notwithstanding any other law, each assessor shall, upon  
 6 petition of the fiscal body, reassess the taxable property situated upon  
 7 or in, or added to, the economic development district effective on the  
 8 next assessment date after the petition.

9 (e) Notwithstanding any other law, the assessed value of all taxable  
 10 property in the economic development district, for purposes of tax  
 11 limitation, property tax replacement, and formulation of the budget, tax  
 12 rate, and tax levy for each political subdivision in which the property  
 13 is located, is the lesser of:

- 14 (1) the assessed value of the property as valued without regard to  
 15 this section; or  
 16 (2) the base assessed value.

17 (f) The state board of accounts and department of local government  
 18 finance shall make the rules and prescribe the forms and procedures  
 19 that they consider expedient for the implementation of this chapter.  
 20 After each reassessment of a group of parcels under a reassessment  
 21 plan prepared under IC 6-1.1-4-4.2 the ~~department of local government~~  
 22 **finance county auditor** shall, **on forms prescribed by the**  
 23 **department of local government finance**, adjust the base assessed  
 24 value one (1) time to neutralize any effect of the reassessment on the  
 25 property tax proceeds allocated to the district under this section. After  
 26 each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local~~  
 27 ~~government finance~~ **county auditor** shall, **on forms prescribed by the**  
 28 **department of local government finance**, adjust the base assessed  
 29 value to neutralize any effect of the annual adjustment on the property  
 30 tax proceeds allocated to the district under this section. However, the  
 31 adjustments under this subsection may not include the effect of  
 32 property tax abatements under IC 6-1.1-12.1.

33 (g) **The county auditor shall, in the manner prescribed by the**  
 34 **department of local government finance, submit the forms**  
 35 **required by this section to the department of local government**  
 36 **finance no later than July 15 of each year. If the county auditor**  
 37 **fails to submit the forms by the deadline under this subsection, the**  
 38 **county auditor shall allocate five percent (5%) of the assessed**  
 39 **value in the allocation area that is used to calculate the allocation**  
 40 **and distribution of allocated tax proceeds under this section to the**  
 41 **respective taxing units. However, if the district notifies the county**  
 42 **auditor and the department of local government finance, no later**



than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.

(g) (h) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) (i) As used in this section, "base assessed value" means, subject to subsection (i): (j):

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, *within the economic development district*, as finally determined for ~~any the current~~ assessment date. ~~after the effective date of the allocation provision.~~

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

(i) (j) If a fiscal body confirms, or modifies and confirms, an ordinance under section 3 of this chapter and the fiscal body makes either of the filings required under section 3(d) of this chapter after the first anniversary of the effective date of the allocation provision in the ordinance, the auditor of the county in which the unit is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of:





(1) the date on which the documents are filed with the county auditor; or

(2) the date on which the documents are filed with the department.

SECTION 39. IC 6-1.1-41-4, AS AMENDED BY P.L.38-2021, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) A political subdivision that in any year adopts a proposal under this chapter must submit the proposal to the department of local government finance:

(1) before August 2 of that year, for years before 2018; and

(2) before June 1 of that year, for years after 2017.

(b) Subject to subsections (c) and (d), the department of local government finance shall certify to the political subdivision **during the certification process under IC 6-1.1-17-16** that the proposal has a property tax rate that does not exceed the maximum property tax rate allowed by the applicable statute described in section 1 of this chapter. If the proposal has a property tax rate that exceeds the maximum property tax rate allowed by the applicable statute described in section 1 of this chapter, the department of local government finance shall certify the proposal at a rate equal to the maximum property tax rate allowed by the applicable statute under section 1 of this chapter.

(c) The department of local government finance may not decline to certify a proposal under subsection (b) unless the political subdivision fails to submit the proposal before the date described in subsection (a).

(d) If a petition is filed pursuant to section 6 of this chapter, the department of local government finance may not certify a proposal under subsection (b) until:

(1) a hearing has been conducted under section 7 of this chapter; and

(2) a final determination has been made on the petition under section 9 of this chapter.

If section 9 of this chapter applies, the department of local government finance may decline to certify the proposal.

SECTION 40. IC 6-3.6-3-2, AS AMENDED BY P.L.159-2020, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An adopting body or, if authorized by this article, another governmental entity that is not an adopting body, may take an action under this article only by ordinance, unless this article permits the action to be taken by resolution.

(b) The department of local government finance, in consultation with the department of state revenue, may make electronically available uniform notices, ordinances, and resolutions that an adopting body or



other governmental entity may use to take an action under this article. An adopting body or other governmental entity may submit a proposed notice, ordinance, or resolution to the department of local government finance for review not later than thirty (30) days prior to the date that the adopting body or governing body intends to submit the notice, adopting ordinance or resolution; and vote results on an ordinance or resolution under subsection (d). If the adopting body or other governmental entity wishes to submit the proposed notice, ordinance, or resolution to the department of local government finance for review, the adopting body or other governmental entity shall submit the proposed notice, ordinance, or resolution to the department of local government finance on the prescribed forms. The department of local government finance shall provide to the submitting entity a determination of the appropriateness of the proposed notice, ordinance, or resolution, including recommended modifications, within thirty (30) days of receiving the proposed notice, ordinance, or resolution.

(c) An ordinance or resolution adopted under this article must comply with the notice and hearing requirements set forth in IC 5-3-1.

(d) The department of local government finance shall prescribe the procedures to be used by the adopting body or governmental entity for submitting to the department the notice, the adopting ordinance or resolution, and the vote results on an ordinance or resolution. The department of local government finance shall notify the submitting entity within thirty (30) days after submission whether the department has received the necessary information required by the department. A final action taken by an adopting body or governmental entity under this article to impose a new tax or amend an existing tax is not effective until the department of local government finance notifies the adopting body or governmental entity that it has received the required information from the submitting entity.

SECTION 41. IC 6-3.6-6-3, AS AMENDED BY P.L.137-2024, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) Revenue raised from a tax imposed under this chapter shall be treated as follows:

(1) To make the following distributions:

(A) If an ordinance described in section 2.5 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.5 of this chapter.

(B) If an ordinance described in section 2.6 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under



section 2.6 of this chapter.

(C) If an ordinance described in section 2.7 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.7 of this chapter.

(D) If an ordinance described in section 2.8 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.8 of this chapter.

**(E) If an ordinance described in section 2.9 of this chapter (before its repeal) is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.9 of this chapter.**

**(F) If an ordinance described in section 3.1 of this chapter (before its expiration) is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 3.1 of this chapter.**

(2) After making the distributions described in subdivision (1), if any, to make distributions to school corporations and civil taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1 (repealed). The revenue categorized from the next twenty-five hundredths percent (0.25%) of the rate for a former tax adopted under IC 6-3.5-1.1 (repealed) shall be allocated to school corporations and civil taxing units. The amount of the allocation to a school corporation or civil taxing unit shall be determined using the allocation amounts for civil taxing units and school corporations in the county.

(3) After making the distributions described in subdivisions (1) and (2), the remaining revenue shall be treated as additional revenue (referred to as "additional revenue" in this chapter). Additional revenue may not be considered by the department of local government finance in determining:

(A) any taxing unit's maximum permissible property tax levy limit under IC 6-1.1-18.5; or

(B) the approved property tax rate for any fund.

(b) In the case of a civil taxing unit that has pledged the tax from additional revenue for the payment of bonds, leases, or other obligations as reported by the civil taxing unit under IC 5-1-18, the adopting body may not, under section 4 of this chapter, reduce the proportional allocation of the additional revenue that was allocated in



the preceding year if the reduction for that year would result in an amount less than the amount necessary for the payment of bonds, leases, or other obligations payable or required to be deposited in a sinking fund or other reserve in that year for the bonds, leases, or other obligations for which the tax from additional revenue has been pledged. To inform an adopting body with regard to allocations that affect the payment of bonds, leases, or other obligations, a taxing unit may provide the adopting body with information regarding any outstanding bonds, leases, or other obligations that are secured by additional revenue. The information must be provided before the date of the public hearing at which the adopting body may change the allocation of additional revenue under section 4 of this chapter.

SECTION 42. IC 6-9-32-3, AS AMENDED BY P.L.9-2024, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county may levy a tax on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations in any:

- (1) hotel;
- (2) motel;
- (3) boat motel;
- (4) inn; or
- (5) tourist cabin;

located in the county.

(b) The tax does not apply to gross income received in a transaction in which a person rents a room, lodging, or accommodations for a period of thirty (30) days or more.

(c) The tax may not exceed the rate of ~~five percent (5%)~~ **eight percent (8%)** on the gross retail income derived from lodging income only and is in addition to the state gross retail tax imposed under IC 6-2.5.

(d) The county fiscal body may adopt an ordinance to require that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

(e) All of the provisions of IC 6-2.5 relating to rights, duties, liabilities, procedures, penalties, definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed under this section except to the extent those provisions



are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. If the tax is paid to the department of state revenue, the return to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule, determine.

(f) If the tax is paid to the department of state revenue, the amounts received from the tax imposed under this section shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the state comptroller.

SECTION 43. IC 8-22-3.5-11, AS AMENDED BY P.L.86-2018, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each reassessment under IC 6-1.1-4, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(d) **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this section to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service**



obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.

SECTION 44. IC 36-1-12-3, AS AMENDED BY P.L.86-2025, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) The board may purchase or lease materials in the manner provided in IC 5-22 and perform any public work, by means of its own workforce, without awarding a contract whenever the cost of that public work project is estimated to be less than three hundred seventy-five thousand dollars (\$375,000), adjusted annually by ~~the~~ **an amount equal to the unadjusted** percentage change **for all items** in the Consumer Price Index for all Urban Consumers as published by the United States Bureau of Labor Statistics **for the immediately preceding year. On or before January 15, 2026, and on or before January 1 of each year thereafter,** the department of local government finance shall annually publish the adjusted cost estimate threshold for the current year, determined in the manner required by this subsection, ~~on the department's website.~~ **in the Indiana Register under IC 4-22-7-7. For purposes of applying the annual cost estimate threshold adjustment, the annual percentage change is applied to the adjusted amount for the immediately preceding year.**

(b) Before a board may perform any work under this section by means of its own workforce, the political subdivision or agency must have a group of employees on its staff who are capable of performing the construction, maintenance, and repair applicable to that work.

(c) For purposes of ~~this subsection,~~ **determining** the cost of a public work project, **the cost** includes:

- (1) the actual cost of materials, labor, equipment, and rental;
- (2) a reasonable rate for use of trucks and heavy equipment owned; and
- (3) all other expenses incidental to the performance of the project.

~~(b)~~ (d) This subsection applies only to a municipality or a county. The workforce of a municipality or county may perform a public work described in subsection (a) only if:

- (1) the workforce, through demonstrated skills, training, or expertise, is capable of performing the public work; and
- (2) for a public work project under subsection (a) whose cost is



1 estimated to be more than one hundred thousand dollars  
 2 (\$100,000), the board:

3 (A) publishes a notice under IC 5-3-1 that:

4 (i) describes the public work that the board intends to  
 5 perform with its own workforce; and

6 (ii) sets forth the projected cost of each component of the  
 7 public work as described in subsection (a); and

8 (B) determines at a public meeting that it is in the public  
 9 interest to perform the public work with the board's own  
 10 workforce.

11 A public work project performed by a board's own workforce must be  
 12 inspected and accepted as complete in the same manner as a public  
 13 work project performed under a contract awarded after receiving bids.

14 ~~(c)~~ (e) When the project involves the rental of equipment with an  
 15 operator furnished by the owner, or the installation or application of  
 16 materials by the supplier of the materials, the project is considered to  
 17 be a public work project and subject to this chapter. However, an  
 18 annual contract may be awarded for equipment rental and materials to  
 19 be installed or applied during a calendar or fiscal year if the proposed  
 20 project or projects are described in the bid specifications.

21 ~~(d)~~ (f) A board of aviation commissioners or an airport authority  
 22 board may purchase or lease materials in the manner provided in  
 23 IC 5-22 and perform any public work by means of its own workforce  
 24 and owned or leased equipment, in the construction, maintenance, and  
 25 repair of any airport roadway, runway, taxiway, or aircraft parking  
 26 apron whenever the cost of that public work project is estimated to be  
 27 less than one hundred fifty thousand dollars (\$150,000).

28 ~~(e)~~ (g) Municipal and county hospitals must comply with this  
 29 chapter for all contracts for public work that are financed in whole or  
 30 in part with cumulative building fund revenue, as provided in section  
 31 1(c) of this chapter. However, if the cost of the public work is  
 32 estimated to be less than fifty thousand dollars (\$50,000), as reflected  
 33 in the board minutes, the hospital board may have the public work done  
 34 without receiving bids, by purchasing the materials and performing the  
 35 work by means of its own workforce and owned or leased equipment.

36 ~~(f)~~ (h) If a public works project involves a structure, an  
 37 improvement, or a facility under the control of a public highway  
 38 department that is under the political control of a unit (as defined in  
 39 IC 36-1-2-23) and involved in the construction, maintenance, or repair  
 40 of a public highway (as defined in IC 9-25-2-4), the department may  
 41 not artificially divide the project to bring any part of the project under  
 42 this section.



SECTION 45. IC 36-1-12.5-10, AS AMENDED BY P.L.233-2015,  
SECTION 331, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2026]: Sec. 10. The governing body shall

(+) **provide submit the following** to the director of the  
department of local government ~~finance~~ **finance's computer**  
**gateway** not more than sixty (60) days after the date of execution  
of the guaranteed savings contract:

(A) (1) A copy of the executed guaranteed savings contract.

(B) (2) The:

(i) (A) energy or water consumption costs;

(ii) (B) wastewater usage costs; and

(iii) (C) billable revenues, if any;

before the date of execution of the guaranteed savings  
contract. ~~and~~

(C) (3) The documentation using industry engineering  
standards for:

(i) (A) stipulated savings; and

(ii) (B) related capital expenditures. ~~and~~

(2) ~~annually report to the director of the department of local~~  
~~government finance; in accordance with procedures established~~  
~~by the department; the savings resulting in the previous year from~~  
~~the guaranteed savings contract or utility efficiency program.~~

SECTION 46. IC 36-1-12.5-12, AS AMENDED BY P.L.233-2015,  
SECTION 332, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2026]: Sec. 12. (a) An improvement that is not

causally connected to a conservation measure may be included in a  
guaranteed savings contract if:

(1) the total value of the improvement does not exceed fifteen  
percent (15%) of the total value of the guaranteed savings  
contract; and

(2) either:

(A) the improvement is necessary to conform to a law, a rule,  
or an ordinance; or

(B) an analysis within the guaranteed savings contract  
demonstrates that:

(i) there is an economic advantage to the political  
subdivision in implementing an improvement as part of the  
guaranteed savings contract; and

(ii) the savings justification for the improvement is  
documented by industry engineering standards.

(b) ~~The information required under subsection (a) must be reported~~  
~~to the director of the department of local government finance.~~





SECTION 47. IC 36-7-14-39, AS AMENDED BY P.L.181-2025,  
SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
JULY 1, 2026]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area  
to which an allocation provision of a declaratory resolution adopted  
under section 15 of this chapter refers for purposes of distribution and  
allocation of property taxes.

"Base assessed value" means, subject to subsection (j), the  
following:

(1) If an allocation provision is adopted after June 30, 1995, in a  
declaratory resolution or an amendment to a declaratory  
resolution establishing an economic development area:

(A) the net assessed value of all the property as finally  
determined for the assessment date immediately preceding the  
effective date of the allocation provision of the declaratory  
resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net  
assessed value of property that is assessed as residential  
property under the rules of the department of local government  
finance, within the allocation area, as finally determined for  
the current assessment date.

(2) If an allocation provision is adopted after June 30, 1997, in a  
declaratory resolution or an amendment to a declaratory  
resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally  
determined for the assessment date immediately preceding the  
effective date of the allocation provision of the declaratory  
resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net  
assessed value of property that is assessed as residential  
property under the rules of the department of local government  
finance, as finally determined for the current assessment date.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in  
a declaratory resolution or an amendment to a declaratory  
resolution establishing a redevelopment project area expires  
after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included  
in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for  
the assessment date immediately preceding the effective date of  
the allocation provision adopted after June 30, 1997, as adjusted



under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of



any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. Notwithstanding any other law, in the case of an allocation area that is established after June 30, 2019, and that is located in a redevelopment project area described in section 25.1(c)(3)(C) of this chapter, an economic development area described in section 25.1(c)(3)(C) of this chapter, or an urban renewal project area described in section 25.1(c)(3)(C) of this chapter, the expiration date of the allocation provision may not be more than thirty-five (35) years after the date on which the allocation provision is established. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) This subdivision applies to a fire protection territory established after December 31, 2022. If a unit becomes a participating unit of a fire protection territory that is established after a declaratory resolution is adopted under section 15 of this chapter, the excess of the proceeds of the property taxes



1 attributable to an increase in the property tax rate for the  
 2 participating unit of a fire protection territory:

3 (A) except as otherwise provided by this subdivision, shall be  
 4 determined as follows:

5 STEP ONE: Divide the unit's tax rate for fire protection for  
 6 the year before the establishment of the fire protection  
 7 territory by the participating unit's tax rate as part of the fire  
 8 protection territory.

9 STEP TWO: Subtract the STEP ONE amount from one (1).

10 STEP THREE: Multiply the STEP TWO amount by the  
 11 allocated property tax attributable to the participating unit of  
 12 the fire protection territory; and

13 (B) to the extent not otherwise included in subdivisions (1)  
 14 and (3), the amount determined under STEP THREE of clause  
 15 (A) shall be allocated to and distributed in the form of an  
 16 allocated property tax revenue pass back to the participating  
 17 unit of the fire protection territory for the assessment date with  
 18 respect to which the allocation is made.

19 However, if the redevelopment commission determines that it is  
 20 unable to meet its debt service obligations with regards to the  
 21 allocation area without all or part of the allocated property tax  
 22 revenue pass back to the participating unit of a fire protection area  
 23 under this subdivision, then the allocated property tax revenue  
 24 pass back under this subdivision shall be reduced by the amount  
 25 necessary for the redevelopment commission to meet its debt  
 26 service obligations of the allocation area. The calculation under  
 27 this subdivision must be made by the redevelopment commission  
 28 in collaboration with the county auditor and the applicable fire  
 29 protection territory. Any calculation determined according to  
 30 clause (A) must be submitted to the department of local  
 31 government finance in the manner prescribed by the department  
 32 of local government finance. The department of local government  
 33 finance shall verify the accuracy of each calculation.

34 (3) The excess of the proceeds of the property taxes imposed for  
 35 the assessment date with respect to which the allocation and  
 36 distribution is made that are attributable to taxes imposed after  
 37 being approved by the voters in a referendum or local public  
 38 question conducted after April 30, 2010, not otherwise included  
 39 in subdivisions (1) and (2) shall be allocated to and, when  
 40 collected, paid into the funds of the taxing unit for which the  
 41 referendum or local public question was conducted.

42 (4) Except as otherwise provided in this section, property tax



proceeds in excess of those described in subdivisions (1), (2), and (3) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),



IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established



the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

(N) Expend revenues that are allocated for police and fire services on both capital expenditures and operating expenses as authorized in section 12.2(a)(28) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(5) Except as provided in subsection (g), before June 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (4), plus the amount necessary for other purposes described in subdivision (4).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The county auditor, upon receiving the notice, shall forward this notice (in an electronic format) to the department of local government



1 finance not later than June 15 of each year. The notice must:

2 (i) state the amount, if any, of excess assessed value that the  
3 commission has determined may be allocated to the  
4 respective taxing units in the manner prescribed in  
5 subdivision (1); or

6 (ii) state that the commission has determined that there is no  
7 excess assessed value that may be allocated to the respective  
8 taxing units in the manner prescribed in subdivision (1).

9 The county auditor shall allocate to the respective taxing units  
10 the amount, if any, of excess assessed value determined by the  
11 commission. The commission may not authorize an allocation  
12 of assessed value to the respective taxing units under this  
13 subdivision if to do so would endanger the interests of the  
14 holders of bonds described in subdivision (4) or lessors under  
15 section 25.3 of this chapter. **If a commission fails to provide  
16 the notice under this clause, the county auditor shall  
17 allocate five percent (5%) of the assessed value in the  
18 allocation area that is used to calculate the allocation and  
19 distribution of allocated tax proceeds under this section to  
20 the respective taxing units. However, if the commission  
21 notifies the county auditor and the department of local  
22 government finance, no later than June 15, that it is unable  
23 to meet its debt service obligations with regard to the  
24 allocation area without all or part of the allocated tax  
25 proceeds attributed to the assessed value that has been  
26 allocated to the respective taxing units, then the county  
27 auditor may not allocate five percent (5%) of the assessed  
28 value in the allocation area that is used to calculate the  
29 allocation and distribution of allocated tax proceeds under  
30 this section to the respective taxing units.**

31 (C) If:

32 (i) the amount of excess assessed value determined by the  
33 commission is expected to generate more than two hundred  
34 percent (200%) of the amount of allocated tax proceeds  
35 necessary to make, when due, principal and interest  
36 payments on bonds described in subdivision (4); plus

37 (ii) the amount necessary for other purposes described in  
38 subdivision (4);

39 the commission shall submit to the legislative body of the unit  
40 its determination of the excess assessed value that the  
41 commission proposes to allocate to the respective taxing units  
42 in the manner prescribed in subdivision (1). The legislative





- body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).
- (6) Notwithstanding subdivision (5), in the case of an allocation area that is established after June 30, 2019, and that is located in a redevelopment project area described in section 25.1(c)(3)(C) of this chapter, an economic development area described in section 25.1(c)(3)(C) of this chapter, or an urban renewal project area described in section 25.1(c)(3)(C) of this chapter, for each year the allocation provision is in effect, if the amount of excess assessed value determined by the commission under subdivision (5)(A) is expected to generate more than two hundred percent (200%) of:
- (A) the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (4) for the project; plus
  - (B) the amount necessary for other purposes described in subdivision (4) for the project;
- the amount of the excess assessed value that generates more than two hundred percent (200%) of the amounts described in clauses (A) and (B) shall be allocated to the respective taxing units in the manner prescribed by subdivision (1).
- (c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:
- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
  - (2) the base assessed value.
- (d) Property tax proceeds allocable to the redevelopment district under subsection (b)(4) may, subject to subsection (b)(5), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(4).
- (e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.
- (f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy



for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(4) shall establish an allocation fund for the purposes specified in subsection (b)(4) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(4) for the year. The amount sufficient for purposes specified in subsection (b)(4) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(4) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1), (b)(2), and (b)(3) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(4), except that where reference is made in subsection (b)(4) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~



1 **county auditor shall, on forms prescribed by the department of**  
 2 **local government finance**, adjust the base assessed value one (1) time  
 3 to neutralize any effect of the reassessment of the real property in the  
 4 area on the property tax proceeds allocated to the redevelopment  
 5 district under this section. After each annual adjustment under  
 6 IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county**  
 7 **auditor shall, on forms prescribed by the department of local**  
 8 **government finance**, adjust the base assessed value one (1) time to  
 9 neutralize any effect of the annual adjustment on the property tax  
 10 proceeds allocated to the redevelopment district under this section.  
 11 However, the adjustments under this subsection:

12 (1) may not include the effect of phasing in assessed value due to  
 13 property tax abatements under IC 6-1.1-12.1;

14 (2) may not produce less property tax proceeds allocable to the  
 15 redevelopment district under subsection (b)(4) than would  
 16 otherwise have been received if the reassessment under the  
 17 reassessment plan or the annual adjustment had not occurred; and

18 (3) may decrease base assessed value only to the extent that  
 19 assessed values in the allocation area have been decreased due to  
 20 annual adjustments or the reassessment under the reassessment  
 21 plan.

22 Assessed value increases attributable to the application of an abatement  
 23 schedule under IC 6-1.1-12.1 may not be included in the base assessed  
 24 value of an allocation area. ~~The department of local government~~  
 25 ~~finance may prescribe procedures for county and township officials to~~  
 26 ~~follow to assist the department in making the adjustments. The county~~  
 27 **auditor shall, in the manner prescribed by the department of local**  
 28 **government finance, submit the forms required by this subsection**  
 29 **to the department of local government finance no later than July**  
 30 **15 of each year. If the county auditor fails to submit the forms by**  
 31 **the deadline under this subsection, the county auditor shall allocate**  
 32 **five percent (5%) of the assessed value in the allocation area that**  
 33 **is used to calculate the allocation and distribution of allocated tax**  
 34 **proceeds under this section to the respective taxing units. However,**  
 35 **if the redevelopment commission notifies the county auditor and**  
 36 **the department of local government finance, no later than July 15,**  
 37 **that it is unable to meet its debt service obligations with regard to**  
 38 **the allocation area without all or part of the allocated tax proceeds**  
 39 **attributed to the assessed value that has been allocated to the**  
 40 **respective taxing units, then the county auditor may not allocate**  
 41 **five percent (5%) of the assessed value in the allocation area that**  
 42 **is used to calculate the allocation and distribution of allocated tax**



**proceeds under this section to the respective taxing units.**

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

(j) If a redevelopment commission adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the redevelopment commission makes either of the filings required under section 17(e) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the unit is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of:

(1) the date on which the documents are filed with the county auditor; or

(2) the date on which the documents are filed with the department of local government finance.

(k) For an allocation area established after June 30, 2025, "residential property" refers to the assessed value of property that is allocated to the one percent (1%) homestead land and improvement categories in the county tax and billing software system.

SECTION 48. IC 36-7-14-48, AS AMENDED BY P.L.236-2023, SECTION 180, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means, subject to section 39(j) of this chapter, the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.



(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before January 1, 2009, providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) (before its repeal) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by



1 (B) the amount determined under STEP ONE.

2 STEP THREE: Multiply:

3 (A) the STEP TWO quotient; by

4 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before  
5 its repeal) levied in the taxing district allocated to the  
6 allocation fund, including the amount that would have been  
7 allocated but for the credit.

8 (d) The commission may determine to grant to taxpayers in an  
9 allocation area from its allocation fund a credit under this section, as  
10 calculated under subsection (c). Except as provided in subsection (g),  
11 one-half (1/2) of the credit shall be applied to each installment of taxes  
12 (as defined in IC 6-1.1-21-2) (before its repeal) that under  
13 IC 6-1.1-22-9 are due and payable in a year. The commission must  
14 provide for the credit annually by a resolution and must find in the  
15 resolution the following:

16 (1) That the money to be collected and deposited in the allocation  
17 fund, based upon historical collection rates, after granting the  
18 credit will equal the amounts payable for contractual obligations  
19 from the fund, plus ten percent (10%) of those amounts.

20 (2) If bonds payable from the fund are outstanding, that there is  
21 a debt service reserve for the bonds that at least equals the amount  
22 of the credit to be granted.

23 (3) If bonds of a lessor under section 25.2 of this chapter or under  
24 IC 36-1-10 are outstanding and if lease rentals are payable from  
25 the fund, that there is a debt service reserve for those bonds that  
26 at least equals the amount of the credit to be granted.

27 If the tax increment is insufficient to grant the credit in full, the  
28 commission may grant the credit in part, prorated among all taxpayers.

29 (e) Notwithstanding section 39(b) of this chapter, the allocation  
30 fund established under section 39(b) of this chapter for the allocation  
31 area for a program adopted under section 45 of this chapter may only  
32 be used to do one (1) or more of the following:

33 (1) Accomplish one (1) or more of the actions set forth in section  
34 39(b)(4)(A) through 39(b)(4)(H) and 39(b)(4)(J) of this chapter  
35 for property that is residential in nature.

36 (2) Reimburse the county or municipality for expenditures made  
37 by the county or municipality in order to accomplish the housing  
38 program in that allocation area.

39 The allocation fund may not be used for operating expenses of the  
40 commission.

41 (f) Notwithstanding section 39(b) of this chapter, the commission  
42 shall, relative to the allocation fund established under section 39(b) of



1 this chapter for an allocation area for a program adopted under section  
2 45 of this chapter, do the following before June 15 of each year:

3 (1) Determine the amount, if any, by which the assessed value of  
4 the taxable property in the allocation area for the most recent  
5 assessment date minus the base assessed value, when multiplied  
6 by the estimated tax rate of the allocation area, will exceed the  
7 amount of assessed value needed to produce the property taxes  
8 necessary to:

9 (A) make the distribution required under section 39(b)(2) and  
10 39(b)(3) of this chapter;

11 (B) make, when due, principal and interest payments on bonds  
12 described in section 39(b)(4) of this chapter;

13 (C) pay the amount necessary for other purposes described in  
14 section 39(b)(4) of this chapter; and

15 (D) reimburse the county or municipality for anticipated  
16 expenditures described in subsection (e)(2).

17 (2) Provide a written notice to the county auditor, the fiscal body  
18 of the county or municipality that established the department of  
19 redevelopment, and the officers who are authorized to fix budgets,  
20 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
21 taxing units that is wholly or partly located within the allocation  
22 area. The county auditor, upon receiving the notice, shall forward  
23 this notice (in an electronic format) to the department of local  
24 government finance not later than June 15 of each year. The  
25 notice must:

26 (A) state the amount, if any, of excess property taxes that the  
27 commission has determined may be paid to the respective  
28 taxing units in the manner prescribed in section 39(b)(1) of  
29 this chapter; or

30 (B) state that the commission has determined that there is no  
31 excess assessed value that may be allocated to the respective  
32 taxing units in the manner prescribed in subdivision (1).

33 The county auditor shall allocate to the respective taxing units the  
34 amount, if any, of excess assessed value determined by the  
35 commission. **If a commission fails to provide the notice under  
36 this subdivision, the county auditor shall allocate five percent  
37 (5%) of the assessed value in the allocation area that is used  
38 to calculate the allocation and distribution of allocated tax  
39 proceeds under this section to the respective taxing units.  
40 However, if the commission notifies the county auditor and  
41 the department of local government finance, no later than  
42 June 15, that it is unable to meet its debt service obligations**



1       **with regard to the allocation area without all or part of the**  
 2       **allocated tax proceeds attributed to the assessed value that**  
 3       **has been allocated to the respective taxing units, then the**  
 4       **county auditor may not allocate five percent (5%) of the**  
 5       **assessed value in the allocation area that is used to calculate**  
 6       **the allocation and distribution of allocated tax proceeds under**  
 7       **this section to the respective taxing units.**

8       (3) If:

9           (A) the amount of excess assessed value determined by the  
 10          commission is expected to generate more than two hundred  
 11          percent (200%) of the amount of allocated tax proceeds  
 12          necessary to make, when due, principal and interest payments  
 13          on bonds described in subdivision (1); plus

14          (B) the amount necessary for other purposes described in  
 15          subdivision (1);

16          the commission shall submit to the legislative body of the unit its  
 17          determination of the excess assessed value that the commission  
 18          proposes to allocate to the respective taxing units in the manner  
 19          prescribed in subdivision (2). The legislative body of the unit may  
 20          approve the commission's determination or modify the amount of  
 21          the excess assessed value that will be allocated to the respective  
 22          taxing units in the manner prescribed in subdivision (2).

23          (g) This subsection applies to an allocation area only to the extent  
 24          that the net assessed value of property that is assessed as residential  
 25          property under the rules of the department of local government finance  
 26          is not included in the base assessed value. If property tax installments  
 27          with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
 28          installments established by the department of local government finance  
 29          under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
 30          allocation area is entitled to an additional credit under subsection (d)  
 31          for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in  
 32          installments. The credit shall be applied in the same proportion to each  
 33          installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

34          SECTION 49. IC 36-7-14-52, AS AMENDED BY P.L.236-2023,  
 35          SECTION 181, IS AMENDED TO READ AS FOLLOWS  
 36          [EFFECTIVE JULY 1, 2026]: Sec. 52. (a) Notwithstanding section  
 37          39(a) of this chapter, with respect to the allocation and distribution of  
 38          property taxes for the accomplishment of the purposes of an  
 39          age-restricted housing program adopted under section 49 of this  
 40          chapter, "base assessed value" means, subject to section 39(j) of this  
 41          chapter, the net assessed value of all of the property, other than  
 42          personal property, as finally determined for the assessment date





1 immediately preceding the effective date of the allocation provision, as  
 2 adjusted under section 39(h) of this chapter.

3 (b) The allocation fund established under section 39(b) of this  
 4 chapter for the allocation area for an age-restricted housing program  
 5 adopted under section 49 of this chapter may be used only for purposes  
 6 related to the accomplishment of the purposes of the program,  
 7 including, but not limited to, the following:

8 (1) The construction of any infrastructure (including streets,  
 9 sidewalks, and sewers) or local public improvements in, serving,  
 10 or benefiting the allocation area.

11 (2) The acquisition of real property and interests in real property  
 12 within the allocation area.

13 (3) The preparation of real property in anticipation of  
 14 development of the real property within the allocation area.

15 (4) To do any of the following:

16 (A) Pay the principal of and interest on bonds or any other  
 17 obligations payable from allocated tax proceeds in the  
 18 allocation area that are incurred by the redevelopment district  
 19 for the purpose of financing or refinancing the age-restricted  
 20 housing program established under section 49 of this chapter  
 21 for the allocation area.

22 (B) Establish, augment, or restore the debt service reserve for  
 23 bonds payable solely or in part from allocated tax proceeds in  
 24 the allocation area.

25 (C) Pay the principal of and interest on bonds payable from  
 26 allocated tax proceeds in the allocation area and from the  
 27 special tax levied under section 27 of this chapter.

28 (D) Pay the principal of and interest on bonds issued by the  
 29 unit to pay for local public improvements that are physically  
 30 located in or physically connected to the allocation area.

31 (E) Pay premiums on the redemption before maturity of bonds  
 32 payable solely or in part from allocated tax proceeds in the  
 33 allocation area.

34 (F) Make payments on leases payable from allocated tax  
 35 proceeds in the allocation area under section 25.2 of this  
 36 chapter.

37 (G) Reimburse the unit for expenditures made by the unit for  
 38 local public improvements (which include buildings, parking  
 39 facilities, and other items described in section 25.1(a) of this  
 40 chapter) that are physically located in or physically connected  
 41 to the allocation area.

42 (c) Notwithstanding section 39(b) of this chapter, the commission



shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 49 of this chapter, do the following before June 15 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 39(b)(2) and 39(b)(3) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 39(b)(4) of this chapter;

(C) pay the amount necessary for other purposes described in section 39(b)(4) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (b)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The county auditor, upon receiving the notice, shall forward this notice (in an electronic format) to the department of local government finance not later than June 15 of each year. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. **If a commission fails to provide the notice under subdivision (2), the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government**



1 finance, no later than July 15, that it is unable to meet its debt  
 2 service obligations with regard to the allocation area without all or  
 3 part of the allocated tax proceeds attributed to the assessed value  
 4 that has been allocated to the respective taxing units, then the  
 5 county auditor may not allocate five percent (5%) of the assessed  
 6 value in the allocation area that is used to calculate the allocation  
 7 and distribution of allocated tax proceeds under this section to the  
 8 respective taxing units.

9 SECTION 50. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014,  
 10 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11 JULY 1, 2026]: Sec. 1. As used in this chapter, "property taxes" means:

12 (1) property taxes, as described in:

13 (A) ~~IC 6-1.1-39-5(g);~~ **IC 6-1.1-39-5(h);**

14 (B) IC 36-7-14-39(a);

15 (C) IC 36-7-14-39.2;

16 (D) IC 36-7-14-39.3(c);

17 (E) IC 36-7-14.5-12.5;

18 (F) IC 36-7-15.1-26(a);

19 (G) IC 36-7-15.1-26.2(c);

20 (H) IC 36-7-15.1-53(a);

21 (I) IC 36-7-15.1-55(c);

22 (J) IC 36-7-30-25(a)(3);

23 (K) IC 36-7-30-26(c);

24 (L) IC 36-7-30.5-30; or

25 (M) IC 36-7-30.5-31; and

26 (2) for allocation areas created under IC 8-22-3.5, the taxes  
 27 assessed on taxable tangible property in the allocation area.

28 SECTION 51. IC 36-7-15.1-26, AS AMENDED BY P.L.174-2022,  
 29 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2026]: Sec. 26. (a) As used in this section:

31 "Allocation area" means that part of a redevelopment project area  
 32 to which an allocation provision of a resolution adopted under section  
 33 8 of this chapter refers for purposes of distribution and allocation of  
 34 property taxes.

35 "Base assessed value" means, subject to subsection (j), the  
 36 following:

37 (1) If an allocation provision is adopted after June 30, 1995, in a  
 38 declaratory resolution or an amendment to a declaratory  
 39 resolution establishing an economic development area:

40 (A) the net assessed value of all the property as finally  
 41 determined for the assessment date immediately preceding the  
 42 effective date of the allocation provision of the declaratory



- 1 resolution, as adjusted under subsection (h); plus
- 2 (B) to the extent that it is not included in clause (A), the net
- 3 assessed value of property that is assessed as residential
- 4 property under the rules of the department of local government
- 5 finance, within the allocation area, as finally determined for
- 6 the current assessment date.
- 7 (2) If an allocation provision is adopted after June 30, 1997, in a
- 8 declaratory resolution or an amendment to a declaratory
- 9 resolution establishing a redevelopment project area:
- 10 (A) the net assessed value of all the property as finally
- 11 determined for the assessment date immediately preceding the
- 12 effective date of the allocation provision of the declaratory
- 13 resolution, as adjusted under subsection (h); plus
- 14 (B) to the extent that it is not included in clause (A), the net
- 15 assessed value of property that is assessed as residential
- 16 property under the rules of the department of local government
- 17 finance, within the allocation area, as finally determined for
- 18 the current assessment date.
- 19 (3) If:
- 20 (A) an allocation provision adopted before June 30, 1995, in
- 21 a declaratory resolution or an amendment to a declaratory
- 22 resolution establishing a redevelopment project area expires
- 23 after June 30, 1997; and
- 24 (B) after June 30, 1997, a new allocation provision is included
- 25 in an amendment to the declaratory resolution;
- 26 the net assessed value of all the property as finally determined for
- 27 the assessment date immediately preceding the effective date of
- 28 the allocation provision adopted after June 30, 1997, as adjusted
- 29 under subsection (h).
- 30 (4) Except as provided in subdivision (5), for all other allocation
- 31 areas, the net assessed value of all the property as finally
- 32 determined for the assessment date immediately preceding the
- 33 effective date of the allocation provision of the declaratory
- 34 resolution, as adjusted under subsection (h).
- 35 (5) If an allocation area established in an economic development
- 36 area before July 1, 1995, is expanded after June 30, 1995, the
- 37 definition in subdivision (1) applies to the expanded part of the
- 38 area added after June 30, 1995.
- 39 (6) If an allocation area established in a redevelopment project
- 40 area before July 1, 1997, is expanded after June 30, 1997, the
- 41 definition in subdivision (2) applies to the expanded part of the
- 42 area added after June 30, 1997.



1 Except as provided in section 26.2 of this chapter, "property taxes"  
2 means taxes imposed under IC 6-1.1 on real property. However, upon  
3 approval by a resolution of the redevelopment commission adopted  
4 before June 1, 1987, "property taxes" also includes taxes imposed  
5 under IC 6-1.1 on depreciable personal property. If a redevelopment  
6 commission adopted before June 1, 1987, a resolution to include within  
7 the definition of property taxes, taxes imposed under IC 6-1.1 on  
8 depreciable personal property that has a useful life in excess of eight  
9 (8) years, the commission may by resolution determine the percentage  
10 of taxes imposed under IC 6-1.1 on all depreciable personal property  
11 that will be included within the definition of property taxes. However,  
12 the percentage included must not exceed twenty-five percent (25%) of  
13 the taxes imposed under IC 6-1.1 on all depreciable personal property.

14 (b) A resolution adopted under section 8 of this chapter on or before  
15 the allocation deadline determined under subsection (i) may include a  
16 provision with respect to the allocation and distribution of property  
17 taxes for the purposes and in the manner provided in this section. A  
18 resolution previously adopted may include an allocation provision by  
19 the amendment of that resolution on or before the allocation deadline  
20 determined under subsection (i) in accordance with the procedures  
21 required for its original adoption. A declaratory resolution or  
22 amendment that establishes an allocation provision must include a  
23 specific finding of fact, supported by evidence, that the adoption of the  
24 allocation provision will result in new property taxes in the area that  
25 would not have been generated but for the adoption of the allocation  
26 provision. For an allocation area established before July 1, 1995, the  
27 expiration date of any allocation provisions for the allocation area is  
28 June 30, 2025, or the last date of any obligations that are outstanding  
29 on July 1, 2015, whichever is later. However, for an allocation area  
30 identified as the Consolidated Allocation Area in the report submitted  
31 in 2013 to the fiscal body under section 36.3 of this chapter, the  
32 expiration date of any allocation provisions for the allocation area is  
33 January 1, 2051. A declaratory resolution or an amendment that  
34 establishes an allocation provision after June 30, 1995, must specify an  
35 expiration date for the allocation provision. For an allocation area  
36 established before July 1, 2008, the expiration date may not be more  
37 than thirty (30) years after the date on which the allocation provision  
38 is established. For an allocation area established after June 30, 2008,  
39 the expiration date may not be more than twenty-five (25) years after  
40 the date on which the first obligation was incurred to pay principal and  
41 interest on bonds or lease rentals on leases payable from tax increment  
42 revenues. However, with respect to bonds or other obligations that were



1 issued before July 1, 2008, if any of the bonds or other obligations that  
 2 were scheduled when issued to mature before the specified expiration  
 3 date and that are payable only from allocated tax proceeds with respect  
 4 to the allocation area remain outstanding as of the expiration date, the  
 5 allocation provision does not expire until all of the bonds or other  
 6 obligations are no longer outstanding. The allocation provision may  
 7 apply to all or part of the redevelopment project area. The allocation  
 8 provision must require that any property taxes subsequently levied by  
 9 or for the benefit of any public body entitled to a distribution of  
 10 property taxes on taxable property in the allocation area be allocated  
 11 and distributed as follows:

12 (1) Except as otherwise provided in this section, the proceeds of  
 13 the taxes attributable to the lesser of:

14 (A) the assessed value of the property for the assessment date  
 15 with respect to which the allocation and distribution is made;  
 16 or

17 (B) the base assessed value;  
 18 shall be allocated to and, when collected, paid into the funds of  
 19 the respective taxing units.

20 (2) The excess of the proceeds of the property taxes imposed for  
 21 the assessment date with respect to which the allocation and  
 22 distribution is made that are attributable to taxes imposed after  
 23 being approved by the voters in a referendum or local public  
 24 question conducted after April 30, 2010, not otherwise included  
 25 in subdivision (1) shall be allocated to and, when collected, paid  
 26 into the funds of the taxing unit for which the referendum or local  
 27 public question was conducted.

28 (3) Except as otherwise provided in this section, property tax  
 29 proceeds in excess of those described in subdivisions (1) and (2)  
 30 shall be allocated to the redevelopment district and, when  
 31 collected, paid into a special fund for that allocation area that may  
 32 be used by the redevelopment district only to do one (1) or more  
 33 of the following:

34 (A) Pay the principal of and interest on any obligations  
 35 payable solely from allocated tax proceeds that are incurred by  
 36 the redevelopment district for the purpose of financing or  
 37 refinancing the redevelopment of that allocation area.

38 (B) Establish, augment, or restore the debt service reserve for  
 39 bonds payable solely or in part from allocated tax proceeds in  
 40 that allocation area.

41 (C) Pay the principal of and interest on bonds payable from  
 42 allocated tax proceeds in that allocation area and from the



- 1 special tax levied under section 19 of this chapter.
- 2 (D) Pay the principal of and interest on bonds issued by the
- 3 consolidated city to pay for local public improvements that are
- 4 physically located in or physically connected to that allocation
- 5 area.
- 6 (E) Pay premiums on the redemption before maturity of bonds
- 7 payable solely or in part from allocated tax proceeds in that
- 8 allocation area.
- 9 (F) Make payments on leases payable from allocated tax
- 10 proceeds in that allocation area under section 17.1 of this
- 11 chapter.
- 12 (G) Reimburse the consolidated city for expenditures for local
- 13 public improvements (which include buildings, parking
- 14 facilities, and other items set forth in section 17 of this
- 15 chapter) that are physically located in or physically connected
- 16 to that allocation area.
- 17 (H) Reimburse the unit for rentals paid by it for a building or
- 18 parking facility that is physically located in or physically
- 19 connected to that allocation area under any lease entered into
- 20 under IC 36-1-10.
- 21 (I) Reimburse public and private entities for expenses incurred
- 22 in training employees of industrial facilities that are located:
- 23 (i) in the allocation area; and
- 24 (ii) on a parcel of real property that has been classified as
- 25 industrial property under the rules of the department of local
- 26 government finance.
- 27 However, the total amount of money spent for this purpose in
- 28 any year may not exceed the total amount of money in the
- 29 allocation fund that is attributable to property taxes paid by the
- 30 industrial facilities described in this clause. The
- 31 reimbursements under this clause must be made within three
- 32 (3) years after the date on which the investments that are the
- 33 basis for the increment financing are made.
- 34 (J) Pay the costs of carrying out an eligible efficiency project
- 35 (as defined in IC 36-9-41-1.5) within the unit that established
- 36 the redevelopment commission. However, property tax
- 37 proceeds may be used under this clause to pay the costs of
- 38 carrying out an eligible efficiency project only if those
- 39 property tax proceeds exceed the amount necessary to do the
- 40 following:
- 41 (i) Make, when due, any payments required under clauses
- 42 (A) through (I), including any payments of principal and



interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(K) Expend money and provide financial assistance as authorized in section 7(a)(21) of this chapter.

The special fund may not be used for operating expenses of the commission.

(4) Before June 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance.

The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so





would endanger the interests of the holders of bonds described in subdivision (3). **If a commission fails to provide the notice under this clause, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(C) If:

- (i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus
- (ii) the amount necessary for other purposes described in subdivision (3) and subsection (g);

the commission shall submit to the legislative body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be



1 irrevocably pledged by the redevelopment district for payment as set  
2 forth in subsection (b)(3).

3 (e) Notwithstanding any other law, each assessor shall, upon  
4 petition of the commission, reassess the taxable property situated upon  
5 or in, or added to, the allocation area, effective on the next assessment  
6 date after the petition.

7 (f) Notwithstanding any other law, the assessed value of all taxable  
8 property in the allocation area, for purposes of tax limitation, property  
9 tax replacement, and formulation of the budget, tax rate, and tax levy  
10 for each political subdivision in which the property is located is the  
11 lesser of:

12 (1) the assessed value of the property as valued without regard to  
13 this section; or

14 (2) the base assessed value.

15 (g) If any part of the allocation area is located in an enterprise zone  
16 created under IC 5-28-15, the unit that designated the allocation area  
17 shall create funds as specified in this subsection. A unit that has  
18 obligations, bonds, or leases payable from allocated tax proceeds under  
19 subsection (b)(3) shall establish an allocation fund for the purposes  
20 specified in subsection (b)(3) and a special zone fund. Such a unit  
21 shall, until the end of the enterprise zone phase out period, deposit each  
22 year in the special zone fund the amount in the allocation fund derived  
23 from property tax proceeds in excess of those described in subsection  
24 (b)(1) and (b)(2) from property located in the enterprise zone that  
25 exceeds the amount sufficient for the purposes specified in subsection  
26 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
27 payable from allocated tax proceeds under subsection (b)(3) shall  
28 establish a special zone fund and deposit all the property tax proceeds  
29 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
30 derived from property tax proceeds in excess of those described in  
31 subsection (b)(1) and (b)(2) from property located in the enterprise  
32 zone. The unit that creates the special zone fund shall use the fund,  
33 based on the recommendations of the urban enterprise association, for  
34 one (1) or more of the following purposes:

35 (1) To pay for programs in job training, job enrichment, and basic  
36 skill development designed to benefit residents and employers in  
37 the enterprise zone. The programs must reserve at least one-half  
38 (1/2) of the enrollment in any session for residents of the  
39 enterprise zone.

40 (2) To make loans and grants for the purpose of stimulating  
41 business activity in the enterprise zone or providing employment  
42 for enterprise zone residents in the enterprise zone. These loans



and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the reassessment under the reassessment plan or annual adjustment had not occurred. ~~The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.~~ **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subsection to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt**



1 **service obligations with regard to the allocation area without all or**  
 2 **part of the allocated tax proceeds attributed to the assessed value**  
 3 **that has been allocated to the respective taxing units, then the**  
 4 **county auditor may not allocate five percent (5%) of the assessed**  
 5 **value in the allocation area that is used to calculate the allocation**  
 6 **and distribution of allocated tax proceeds under this section to the**  
 7 **respective taxing units.**

8 (i) The allocation deadline referred to in subsection (b) is  
 9 determined in the following manner:

10 (1) The initial allocation deadline is December 31, 2011.

11 (2) Subject to subdivision (3), the initial allocation deadline and  
 12 subsequent allocation deadlines are automatically extended in  
 13 increments of five (5) years, so that allocation deadlines  
 14 subsequent to the initial allocation deadline fall on December 31,  
 15 2016, and December 31 of each fifth year thereafter.

16 (3) At least one (1) year before the date of an allocation deadline  
 17 determined under subdivision (2), the general assembly may enact  
 18 a law that:

19 (A) terminates the automatic extension of allocation deadlines  
 20 under subdivision (2); and

21 (B) specifically designates a particular date as the final  
 22 allocation deadline.

23 (j) If the commission adopts a declaratory resolution or an  
 24 amendment to a declaratory resolution that contains an allocation  
 25 provision and the commission makes either of the filings required  
 26 under section 10(e) of this chapter after the first anniversary of the  
 27 effective date of the allocation provision, the auditor of the county in  
 28 which the unit is located shall compute the base assessed value for the  
 29 allocation area using the assessment date immediately preceding the  
 30 later of:

31 (1) the date on which the documents are filed with the county  
 32 auditor; or

33 (2) the date on which the documents are filed with the department  
 34 of local government finance.

35 (k) For an allocation area established after June 30, 2024,  
 36 "residential property" refers to the assessed value of property that is  
 37 allocated to the one percent (1%) homestead land and improvement  
 38 categories in the county tax and billing software system, along with the  
 39 residential assessed value as defined for purposes of calculating the  
 40 rate for the local income tax property tax relief credit designated for  
 41 residential property under IC 6-3.6-5-6(d)(3).

42 SECTION 52. IC 36-7-15.1-26, AS AMENDED BY P.L.68-2025,



SECTION 235, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means, subject to subsection (j), the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the allocation area, as finally determined for the current assessment date.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the allocation area, as finally determined for the current assessment date.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted



under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding



on July 1, 2015, whichever is later. However, for an allocation area identified as the Consolidated Allocation Area in the report submitted in 2013 to the fiscal body under section 36.3 of this chapter, the expiration date of any allocation provisions for the allocation area is January 1, 2051. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax



proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the





allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(K) Expend money and provide financial assistance as authorized in section 7(a)(21) of this chapter.

The special fund may not be used for operating expenses of the commission.

(4) Before June 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly



or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3). **If a commission fails to provide the notice under this clause, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3) and subsection (g);

the commission shall submit to the legislative body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective



- 1           taxing units in the manner prescribed in subdivision (1). The  
 2           legislative body of the unit may approve the commission's  
 3           determination or modify the amount of the excess assessed  
 4           value that will be allocated to the respective taxing units in the  
 5           manner prescribed in subdivision (1).
- 6           (c) For the purpose of allocating taxes levied by or for any taxing  
 7           unit or units, the assessed value of taxable property in a territory in the  
 8           allocation area that is annexed by any taxing unit after the effective  
 9           date of the allocation provision of the resolution is the lesser of:
- 10           (1) the assessed value of the property for the assessment date with  
 11           respect to which the allocation and distribution is made; or  
 12           (2) the base assessed value.
- 13           (d) Property tax proceeds allocable to the redevelopment district  
 14           under subsection (b)(3) may, subject to subsection (b)(4), be  
 15           irrevocably pledged by the redevelopment district for payment as set  
 16           forth in subsection (b)(3).
- 17           (e) Notwithstanding any other law, each assessor shall, upon  
 18           petition of the commission, reassess the taxable property situated upon  
 19           or in, or added to, the allocation area, effective on the next assessment  
 20           date after the petition.
- 21           (f) Notwithstanding any other law, the assessed value of all taxable  
 22           property in the allocation area, for purposes of tax limitation, property  
 23           tax replacement, and formulation of the budget, tax rate, and tax levy  
 24           for each political subdivision in which the property is located is the  
 25           lesser of:
- 26           (1) the assessed value of the property as valued without regard to  
 27           this section; or  
 28           (2) the base assessed value.
- 29           (g) If any part of the allocation area is located in an enterprise zone  
 30           created under IC 5-28-15, the unit that designated the allocation area  
 31           shall create funds as specified in this subsection. A unit that has  
 32           obligations, bonds, or leases payable from allocated tax proceeds under  
 33           subsection (b)(3) shall establish an allocation fund for the purposes  
 34           specified in subsection (b)(3) and a special zone fund. Such a unit  
 35           shall, until the end of the enterprise zone phase out period, deposit each  
 36           year in the special zone fund the amount in the allocation fund derived  
 37           from property tax proceeds in excess of those described in subsection  
 38           (b)(1) and (b)(2) from property located in the enterprise zone that  
 39           exceeds the amount sufficient for the purposes specified in subsection  
 40           (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 41           payable from allocated tax proceeds under subsection (b)(3) shall  
 42           establish a special zone fund and deposit all the property tax proceeds



1 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 2 derived from property tax proceeds in excess of those described in  
 3 subsection (b)(1) and (b)(2) from property located in the enterprise  
 4 zone. The unit that creates the special zone fund shall use the fund,  
 5 based on the recommendations of the urban enterprise association, for  
 6 one (1) or more of the following purposes:

7 (1) To pay for programs in job training, job enrichment, and basic  
 8 skill development designed to benefit residents and employers in  
 9 the enterprise zone. The programs must reserve at least one-half  
 10 (1/2) of the enrollment in any session for residents of the  
 11 enterprise zone.

12 (2) To make loans and grants for the purpose of stimulating  
 13 business activity in the enterprise zone or providing employment  
 14 for enterprise zone residents in the enterprise zone. These loans  
 15 and grants may be made to the following:

16 (A) Businesses operating in the enterprise zone.

17 (B) Businesses that will move their operations to the enterprise  
 18 zone if such a loan or grant is made.

19 (3) To provide funds to carry out other purposes specified in  
 20 subsection (b)(3). However, where reference is made in  
 21 subsection (b)(3) to the allocation area, the reference refers for  
 22 purposes of payments from the special zone fund only to that part  
 23 of the allocation area that is also located in the enterprise zone.

24 (h) The state board of accounts and department of local government  
 25 finance shall make the rules and prescribe the forms and procedures  
 26 that they consider expedient for the implementation of this chapter.  
 27 After each reassessment under a reassessment plan prepared under  
 28 IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county**  
 29 **auditor** shall, **on forms prescribed by the department of local**  
 30 **government finance**, adjust the base assessed value one (1) time to  
 31 neutralize any effect of the reassessment of the real property in the area  
 32 on the property tax proceeds allocated to the redevelopment district  
 33 under this section. After each annual adjustment under IC 6-1.1-4-4.5,  
 34 the ~~department of local government finance~~ **county auditor** shall, **on**  
 35 **forms prescribed by the department of local government finance**,  
 36 adjust the base assessed value to neutralize any effect of the annual  
 37 adjustment on the property tax proceeds allocated to the redevelopment  
 38 district under this section. However, the adjustments under this  
 39 subsection may not include the effect of property tax abatements under  
 40 IC 6-1.1-12.1, and these adjustments may not produce less property tax  
 41 proceeds allocable to the redevelopment district under subsection  
 42 (b)(3) than would otherwise have been received if the reassessment



under the reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments. **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subsection to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

(j) If the commission adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the commission makes either of the filings required under section 10(e) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the unit is located shall compute the base assessed value for the



1 allocation area using the assessment date immediately preceding the  
2 later of:

- 3 (1) the date on which the documents are filed with the county  
4 auditor; or
- 5 (2) the date on which the documents are filed with the department  
6 of local government finance.

7 (k) For an allocation area established after June 30, 2024,  
8 "residential property" refers to the assessed value of property that is  
9 allocated to the one percent (1%) homestead land and improvement  
10 categories in the county tax and billing software system, along with the  
11 residential assessed value as defined for purposes of calculating the  
12 rate for the local income tax property tax relief credit designated for  
13 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

14 SECTION 53. IC 36-7-15.1-35, AS AMENDED BY P.L.257-2019,  
15 SECTION 128, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2026]: Sec. 35. (a) Notwithstanding section  
17 26(a) of this chapter, with respect to the allocation and distribution of  
18 property taxes for the accomplishment of a program adopted under  
19 section 32 of this chapter, "base assessed value" means, subject to  
20 section 26(j) of this chapter, the net assessed value of all of the land as  
21 finally determined for the assessment date immediately preceding the  
22 effective date of the allocation provision, as adjusted under section  
23 26(h) of this chapter. However, "base assessed value" does not include  
24 the value of real property improvements to the land.

25 (b) The special fund established under section 26(b) of this chapter  
26 for the allocation area for a program adopted under section 32 of this  
27 chapter may be used only for purposes related to the accomplishment  
28 of the program, including the following:

- 29 (1) The construction, rehabilitation, or repair of residential units  
30 within the allocation area.
- 31 (2) The construction, reconstruction, or repair of infrastructure  
32 (such as streets, sidewalks, and sewers) within or serving the  
33 allocation area.
- 34 (3) The acquisition of real property and interests in real property  
35 within the allocation area.
- 36 (4) The demolition of real property within the allocation area.
- 37 (5) To provide financial assistance to enable individuals and  
38 families to purchase or lease residential units within the allocation  
39 area. However, financial assistance may be provided only to those  
40 individuals and families whose income is at or below the county's  
41 median income for individuals and families, respectively.
- 42 (6) To provide financial assistance to neighborhood development



corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before 2009, to provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) Except as provided in subsection (g), the commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c), by applying one-half (1/2) of the credit to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9 are due and payable in a year. Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations



1 from the fund, plus ten percent (10%) of those amounts.

2 (2) If bonds payable from the fund are outstanding, that there is  
3 a debt service reserve for the bonds that at least equals the amount  
4 of the credit to be granted.

5 (3) If bonds of a lessor under section 17.1 of this chapter or under  
6 IC 36-1-10 are outstanding and if lease rentals are payable from  
7 the fund, that there is a debt service reserve for those bonds that  
8 at least equals the amount of the credit to be granted.

9 If the tax increment is insufficient to grant the credit in full, the  
10 commission may grant the credit in part, prorated among all taxpayers.

11 (e) Notwithstanding section 26(b) of this chapter, the special fund  
12 established under section 26(b) of this chapter for the allocation area  
13 for a program adopted under section 32 of this chapter may only be  
14 used to do one (1) or more of the following:

15 (1) Accomplish one (1) or more of the actions set forth in section  
16 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

17 (2) Reimburse the consolidated city for expenditures made by the  
18 city in order to accomplish the housing program in that allocation  
19 area.

20 The special fund may not be used for operating expenses of the  
21 commission.

22 (f) Notwithstanding section 26(b) of this chapter, the commission  
23 shall, relative to the special fund established under section 26(b) of this  
24 chapter for an allocation area for a program adopted under section 32  
25 of this chapter, do the following before June 15 of each year:

26 (1) Determine the amount, if any, by which the assessed value of  
27 the taxable property in the allocation area, when multiplied by the  
28 estimated tax rate of the allocation area, will exceed the amount  
29 of assessed value needed to produce the property taxes necessary  
30 to:

31 (A) make the distribution required under section 26(b)(2) of  
32 this chapter;

33 (B) make, when due, principal and interest payments on bonds  
34 described in section 26(b)(3) of this chapter;

35 (C) pay the amount necessary for other purposes described in  
36 section 26(b)(3) of this chapter; and

37 (D) reimburse the consolidated city for anticipated  
38 expenditures described in subsection (e)(2).

39 (2) Provide a written notice to the county auditor, the legislative  
40 body of the consolidated city, the officers who are authorized to  
41 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each  
42 of the other taxing units that is wholly or partly located within the





1 allocation area, and (in an electronic format) the department of  
2 local government finance. The notice must:

3 (A) state the amount, if any, of excess assessed value that the  
4 commission has determined may be allocated to the respective  
5 taxing units in the manner prescribed in section 26(b)(1) of  
6 this chapter; or

7 (B) state that the commission has determined that there is no  
8 excess assessed value that may be allocated to the respective  
9 taxing units in the manner prescribed in section 26(b)(1) of  
10 this chapter.

11 The county auditor shall allocate to the respective taxing units the  
12 amount, if any, of excess assessed value determined by the  
13 commission. **If a commission fails to provide the notice under  
14 this subdivision, the county auditor shall allocate five percent  
15 (5%) of the assessed value in the allocation area that is used  
16 to calculate the allocation and distribution of allocated tax  
17 proceeds under this section to the respective taxing units.  
18 However, if the commission notifies the county auditor and  
19 the department of local government finance, no later than  
20 July 15, that it is unable to meet its debt service obligations  
21 with regard to the allocation area without all or part of the  
22 allocated tax proceeds attributed to the assessed value that  
23 has been allocated to the respective taxing units, then the  
24 county auditor may not allocate five percent (5%) of the  
25 assessed value in the allocation area that is used to calculate  
26 the allocation and distribution of allocated tax proceeds under  
27 this section to the respective taxing units.**

28 (g) This subsection applies to an allocation area only to the extent  
29 that the net assessed value of property that is assessed as residential  
30 property under the rules of the department of local government finance  
31 is not included in the base assessed value. If property tax installments  
32 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its  
33 repeal)) are due in installments established by the department of local  
34 government finance under IC 6-1.1-22-9.5, each taxpayer subject to  
35 those installments in an allocation area is entitled to an additional  
36 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2  
37 (before its repeal)) due in installments. The credit shall be applied in  
38 the same proportion to each installment of taxes (as defined in  
39 IC 6-1.1-21-2 (before its repeal)).

40 SECTION 54. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,  
41 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2026]: Sec. 53. (a) As used in this section:



1 "Allocation area" means that part of a redevelopment project area  
 2 to which an allocation provision of a resolution adopted under section  
 3 40 of this chapter refers for purposes of distribution and allocation of  
 4 property taxes.

5 "Base assessed value" means, subject to subsection (j):

6 (1) the net assessed value of all the property as finally determined  
 7 for the assessment date immediately preceding the effective date  
 8 of the allocation provision of the declaratory resolution, as  
 9 adjusted under subsection (h); plus

10 (2) to the extent that it is not included in subdivision (1), the net  
 11 assessed value of property that is assessed as residential property  
 12 under the rules of the department of local government finance, as  
 13 finally determined for the current assessment date.

14 Except as provided in section 55 of this chapter, "property taxes"  
 15 means taxes imposed under IC 6-1.1 on real property.

16 (b) A resolution adopted under section 40 of this chapter on or  
 17 before the allocation deadline determined under subsection (i) may  
 18 include a provision with respect to the allocation and distribution of  
 19 property taxes for the purposes and in the manner provided in this  
 20 section. A resolution previously adopted may include an allocation  
 21 provision by the amendment of that resolution on or before the  
 22 allocation deadline determined under subsection (i) in accordance with  
 23 the procedures required for its original adoption. A declaratory  
 24 resolution or an amendment that establishes an allocation provision  
 25 must be approved by resolution of the legislative body of the excluded  
 26 city and must specify an expiration date for the allocation provision.  
 27 For an allocation area established before July 1, 2008, the expiration  
 28 date may not be more than thirty (30) years after the date on which the  
 29 allocation provision is established. For an allocation area established  
 30 after June 30, 2008, the expiration date may not be more than  
 31 twenty-five (25) years after the date on which the first obligation was  
 32 incurred to pay principal and interest on bonds or lease rentals on  
 33 leases payable from tax increment revenues. However, with respect to  
 34 bonds or other obligations that were issued before July 1, 2008, if any  
 35 of the bonds or other obligations that were scheduled when issued to  
 36 mature before the specified expiration date and that are payable only  
 37 from allocated tax proceeds with respect to the allocation area remain  
 38 outstanding as of the expiration date, the allocation provision does not  
 39 expire until all of the bonds or other obligations are no longer  
 40 outstanding. The allocation provision may apply to all or part of the  
 41 redevelopment project area. The allocation provision must require that  
 42 any property taxes subsequently levied by or for the benefit of any



1 public body entitled to a distribution of property taxes on taxable  
 2 property in the allocation area be allocated and distributed as follows:

3 (1) Except as otherwise provided in this section, the proceeds of  
 4 the taxes attributable to the lesser of:

5 (A) the assessed value of the property for the assessment date  
 6 with respect to which the allocation and distribution is made;  
 7 or

8 (B) the base assessed value;

9 shall be allocated to and, when collected, paid into the funds of  
 10 the respective taxing units.

11 (2) The excess of the proceeds of the property taxes imposed for  
 12 the assessment date with respect to which the allocation and  
 13 distribution is made that are attributable to taxes imposed after  
 14 being approved by the voters in a referendum or local public  
 15 question conducted after April 30, 2010, not otherwise included  
 16 in subdivision (1) shall be allocated to and, when collected, paid  
 17 into the funds of the taxing unit for which the referendum or local  
 18 public question was conducted.

19 (3) Except as otherwise provided in this section, property tax  
 20 proceeds in excess of those described in subdivisions (1) and (2)  
 21 shall be allocated to the redevelopment district and, when  
 22 collected, paid into a special fund for that allocation area that may  
 23 be used by the redevelopment district only to do one (1) or more  
 24 of the following:

25 (A) Pay the principal of and interest on any obligations  
 26 payable solely from allocated tax proceeds that are incurred by  
 27 the redevelopment district for the purpose of financing or  
 28 refinancing the redevelopment of that allocation area.

29 (B) Establish, augment, or restore the debt service reserve for  
 30 bonds payable solely or in part from allocated tax proceeds in  
 31 that allocation area.

32 (C) Pay the principal of and interest on bonds payable from  
 33 allocated tax proceeds in that allocation area and from the  
 34 special tax levied under section 50 of this chapter.

35 (D) Pay the principal of and interest on bonds issued by the  
 36 excluded city to pay for local public improvements that are  
 37 physically located in or physically connected to that allocation  
 38 area.

39 (E) Pay premiums on the redemption before maturity of bonds  
 40 payable solely or in part from allocated tax proceeds in that  
 41 allocation area.

42 (F) Make payments on leases payable from allocated tax



- 1 proceeds in that allocation area under section 46 of this  
 2 chapter.  
 3 (G) Reimburse the excluded city for expenditures for local  
 4 public improvements (which include buildings, park facilities,  
 5 and other items set forth in section 45 of this chapter) that are  
 6 physically located in or physically connected to that allocation  
 7 area.  
 8 (H) Reimburse the unit for rentals paid by it for a building or  
 9 parking facility that is physically located in or physically  
 10 connected to that allocation area under any lease entered into  
 11 under IC 36-1-10.  
 12 (I) Reimburse public and private entities for expenses incurred  
 13 in training employees of industrial facilities that are located:  
 14 (i) in the allocation area; and  
 15 (ii) on a parcel of real property that has been classified as  
 16 industrial property under the rules of the department of local  
 17 government finance.  
 18 However, the total amount of money spent for this purpose in  
 19 any year may not exceed the total amount of money in the  
 20 allocation fund that is attributable to property taxes paid by the  
 21 industrial facilities described in this clause. The  
 22 reimbursements under this clause must be made within three  
 23 (3) years after the date on which the investments that are the  
 24 basis for the increment financing are made.  
 25 The special fund may not be used for operating expenses of the  
 26 commission.  
 27 (4) Before June 15 of each year, the commission shall do the  
 28 following:  
 29 (A) Determine the amount, if any, by which the assessed value  
 30 of the taxable property in the allocation area for the most  
 31 recent assessment date minus the base assessed value, when  
 32 multiplied by the estimated tax rate of the allocation area, will  
 33 exceed the amount of assessed value needed to provide the  
 34 property taxes necessary to make, when due, principal and  
 35 interest payments on bonds described in subdivision (3) plus  
 36 the amount necessary for other purposes described in  
 37 subdivision (3) and subsection (g).  
 38 (B) Provide a written notice to the county auditor, the fiscal  
 39 body of the county or municipality that established the  
 40 department of redevelopment, the officers who are authorized  
 41 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
 42 each of the other taxing units that is wholly or partly located



within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3). **If a commission fails to provide the notice under this clause, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon



petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise



1           zone if such a loan or grant is made.

2           (3) To provide funds to carry out other purposes specified in

3           subsection (b)(3). However, where reference is made in

4           subsection (b)(3) to the allocation area, the reference refers, for

5           purposes of payments from the special zone fund, only to that part

6           of the allocation area that is also located in the enterprise zone.

7           (h) The state board of accounts and department of local government

8           finance shall make the rules and prescribe the forms and procedures

9           that they consider expedient for the implementation of this chapter.

10          After each reassessment of real property in an area under a county's

11          reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~

12          ~~local government finance~~ **county auditor** shall, **on forms prescribed**

13          **by the department of local government finance**, adjust the base

14          assessed value one (1) time to neutralize any effect of the reassessment

15          of the real property in the area on the property tax proceeds allocated

16          to the redevelopment district under this section. After each annual

17          adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~

18          ~~finance~~ **county auditor** shall, **on forms prescribed by the**

19          **department of local government finance**, adjust the base assessed

20          value to neutralize any effect of the annual adjustment on the property

21          tax proceeds allocated to the redevelopment district under this section.

22          However, the adjustments under this subsection may not include the

23          effect of property tax abatements under IC 6-1.1-12.1, and these

24          adjustments may not produce less property tax proceeds allocable to

25          the redevelopment district under subsection (b)(3) than would

26          otherwise have been received if the reassessment under the county's

27          reassessment plan or annual adjustment had not occurred. ~~The~~

28          ~~department of local government finance may prescribe procedures for~~

29          ~~county and township officials to follow to assist the department in~~

30          ~~making the adjustments.~~ **The county auditor shall, in the manner**

31          **prescribed by the department of local government finance, submit**

32          **the forms required by this subsection to the department of local**

33          **government finance no later than July 15 of each year. If the**

34          **county auditor fails to submit the forms by the deadline under this**

35          **subsection, the county auditor shall allocate five percent (5%) of**

36          **the assessed value in the allocation area that is used to calculate the**

37          **allocation and distribution of allocated tax proceeds under this**

38          **section to the respective taxing units. However, if the commission**

39          **notifies the county auditor and the department of local government**

40          **finance, no later than July 15, that it is unable to meet its debt**

41          **service obligations with regard to the allocation area without all or**

42          **part of the allocated tax proceeds attributed to the assessed value**



1 **that has been allocated to the respective taxing units, then the**  
 2 **county auditor may not allocate five percent (5%) of the assessed**  
 3 **value in the allocation area that is used to calculate the allocation**  
 4 **and distribution of allocated tax proceeds under this section to the**  
 5 **respective taxing units.**

6 (i) The allocation deadline referred to in subsection (b) is  
 7 determined in the following manner:

8 (1) The initial allocation deadline is December 31, 2011.

9 (2) Subject to subdivision (3), the initial allocation deadline and  
 10 subsequent allocation deadlines are automatically extended in  
 11 increments of five (5) years, so that allocation deadlines  
 12 subsequent to the initial allocation deadline fall on December 31,  
 13 2016, and December 31 of each fifth year thereafter.

14 (3) At least one (1) year before the date of an allocation deadline  
 15 determined under subdivision (2), the general assembly may enact  
 16 a law that:

17 (A) terminates the automatic extension of allocation deadlines  
 18 under subdivision (2); and

19 (B) specifically designates a particular date as the final  
 20 allocation deadline.

21 (j) If the commission adopts a declaratory resolution or an  
 22 amendment to a declaratory resolution that contains an allocation  
 23 provision and the commission makes either of the filings required  
 24 under section 10(e) of this chapter after the first anniversary of the  
 25 effective date of the allocation provision, the auditor of the county in  
 26 which the unit is located shall compute the base assessed value for the  
 27 allocation area using the assessment date immediately preceding the  
 28 later of:

29 (1) the date on which the documents are filed with the county  
 30 auditor; or

31 (2) the date on which the documents are filed with the department  
 32 of local government finance.

33 (k) For an allocation area established after June 30, 2024,  
 34 "residential property" refers to the assessed value of property that is  
 35 allocated to the one percent (1%) homestead land and improvement  
 36 categories in the county tax and billing software system, along with the  
 37 residential assessed value as defined for purposes of calculating the  
 38 rate for the local income tax property tax relief credit designated for  
 39 residential property under IC 6-3.6-5-6(d)(3).

40 SECTION 55. IC 36-7-15.1-53, AS AMENDED BY P.L.68-2025,  
 41 SECTION 236, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2027]: Sec. 53. (a) As used in this section:





1 "Allocation area" means that part of a redevelopment project area  
 2 to which an allocation provision of a resolution adopted under section  
 3 40 of this chapter refers for purposes of distribution and allocation of  
 4 property taxes.

5 "Base assessed value" means, subject to subsection (j):

6 (1) the net assessed value of all the property as finally determined  
 7 for the assessment date immediately preceding the effective date  
 8 of the allocation provision of the declaratory resolution, as  
 9 adjusted under subsection (h); plus

10 (2) to the extent that it is not included in subdivision (1), the net  
 11 assessed value of property that is assessed as residential property  
 12 under the rules of the department of local government finance, as  
 13 finally determined for the current assessment date.

14 Except as provided in section 55 of this chapter, "property taxes"  
 15 means taxes imposed under IC 6-1.1 on real property.

16 (b) A resolution adopted under section 40 of this chapter on or  
 17 before the allocation deadline determined under subsection (i) may  
 18 include a provision with respect to the allocation and distribution of  
 19 property taxes for the purposes and in the manner provided in this  
 20 section. A resolution previously adopted may include an allocation  
 21 provision by the amendment of that resolution on or before the  
 22 allocation deadline determined under subsection (i) in accordance with  
 23 the procedures required for its original adoption. A declaratory  
 24 resolution or an amendment that establishes an allocation provision  
 25 must be approved by resolution of the legislative body of the excluded  
 26 city and must specify an expiration date for the allocation provision.  
 27 For an allocation area established before July 1, 2008, the expiration  
 28 date may not be more than thirty (30) years after the date on which the  
 29 allocation provision is established. For an allocation area established  
 30 after June 30, 2008, the expiration date may not be more than  
 31 twenty-five (25) years after the date on which the first obligation was  
 32 incurred to pay principal and interest on bonds or lease rentals on  
 33 leases payable from tax increment revenues. However, with respect to  
 34 bonds or other obligations that were issued before July 1, 2008, if any  
 35 of the bonds or other obligations that were scheduled when issued to  
 36 mature before the specified expiration date and that are payable only  
 37 from allocated tax proceeds with respect to the allocation area remain  
 38 outstanding as of the expiration date, the allocation provision does not  
 39 expire until all of the bonds or other obligations are no longer  
 40 outstanding. The allocation provision may apply to all or part of the  
 41 redevelopment project area. The allocation provision must require that  
 42 any property taxes subsequently levied by or for the benefit of any



1 public body entitled to a distribution of property taxes on taxable  
 2 property in the allocation area be allocated and distributed as follows:

3 (1) Except as otherwise provided in this section, the proceeds of  
 4 the taxes attributable to the lesser of:

5 (A) the assessed value of the property for the assessment date  
 6 with respect to which the allocation and distribution is made;  
 7 or

8 (B) the base assessed value;

9 shall be allocated to and, when collected, paid into the funds of  
 10 the respective taxing units.

11 (2) The excess of the proceeds of the property taxes imposed for  
 12 the assessment date with respect to which the allocation and  
 13 distribution is made that are attributable to taxes imposed after  
 14 being approved by the voters in a referendum or local public  
 15 question conducted after April 30, 2010, not otherwise included  
 16 in subdivision (1) shall be allocated to and, when collected, paid  
 17 into the funds of the taxing unit for which the referendum or local  
 18 public question was conducted.

19 (3) Except as otherwise provided in this section, property tax  
 20 proceeds in excess of those described in subdivisions (1) and (2)  
 21 shall be allocated to the redevelopment district and, when  
 22 collected, paid into a special fund for that allocation area that may  
 23 be used by the redevelopment district only to do one (1) or more  
 24 of the following:

25 (A) Pay the principal of and interest on any obligations  
 26 payable solely from allocated tax proceeds that are incurred by  
 27 the redevelopment district for the purpose of financing or  
 28 refinancing the redevelopment of that allocation area.

29 (B) Establish, augment, or restore the debt service reserve for  
 30 bonds payable solely or in part from allocated tax proceeds in  
 31 that allocation area.

32 (C) Pay the principal of and interest on bonds payable from  
 33 allocated tax proceeds in that allocation area and from the  
 34 special tax levied under section 50 of this chapter.

35 (D) Pay the principal of and interest on bonds issued by the  
 36 excluded city to pay for local public improvements that are  
 37 physically located in or physically connected to that allocation  
 38 area.

39 (E) Pay premiums on the redemption before maturity of bonds  
 40 payable solely or in part from allocated tax proceeds in that  
 41 allocation area.

42 (F) Make payments on leases payable from allocated tax



- 1 proceeds in that allocation area under section 46 of this  
 2 chapter.  
 3 (G) Reimburse the excluded city for expenditures for local  
 4 public improvements (which include buildings, park facilities,  
 5 and other items set forth in section 45 of this chapter) that are  
 6 physically located in or physically connected to that allocation  
 7 area.  
 8 (H) Reimburse the unit for rentals paid by it for a building or  
 9 parking facility that is physically located in or physically  
 10 connected to that allocation area under any lease entered into  
 11 under IC 36-1-10.  
 12 (I) Reimburse public and private entities for expenses incurred  
 13 in training employees of industrial facilities that are located:  
 14 (i) in the allocation area; and  
 15 (ii) on a parcel of real property that has been classified as  
 16 industrial property under the rules of the department of local  
 17 government finance.  
 18 However, the total amount of money spent for this purpose in  
 19 any year may not exceed the total amount of money in the  
 20 allocation fund that is attributable to property taxes paid by the  
 21 industrial facilities described in this clause. The  
 22 reimbursements under this clause must be made within three  
 23 (3) years after the date on which the investments that are the  
 24 basis for the increment financing are made.  
 25 The special fund may not be used for operating expenses of the  
 26 commission.  
 27 (4) Before June 15 of each year, the commission shall do the  
 28 following:  
 29 (A) Determine the amount, if any, by which the assessed value  
 30 of the taxable property in the allocation area for the most  
 31 recent assessment date minus the base assessed value, when  
 32 multiplied by the estimated tax rate of the allocation area, will  
 33 exceed the amount of assessed value needed to provide the  
 34 property taxes necessary to make, when due, principal and  
 35 interest payments on bonds described in subdivision (3) plus  
 36 the amount necessary for other purposes described in  
 37 subdivision (3) and subsection (g).  
 38 (B) Provide a written notice to the county auditor, the fiscal  
 39 body of the county or municipality that established the  
 40 department of redevelopment, the officers who are authorized  
 41 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
 42 each of the other taxing units that is wholly or partly located



1 within the allocation area, and (in an electronic format) the  
 2 department of local government finance. The notice must:

3 (i) state the amount, if any, of excess assessed value that the  
 4 commission has determined may be allocated to the  
 5 respective taxing units in the manner prescribed in  
 6 subdivision (1); or

7 (ii) state that the commission has determined that there is no  
 8 excess assessed value that may be allocated to the respective  
 9 taxing units in the manner prescribed in subdivision (1).

10 The county auditor shall allocate to the respective taxing units  
 11 the amount, if any, of excess assessed value determined by the  
 12 commission. The commission may not authorize an allocation  
 13 to the respective taxing units under this subdivision if to do so  
 14 would endanger the interests of the holders of bonds described  
 15 in subdivision (3). **If a commission fails to provide the**  
 16 **notice under this clause, the county auditor shall allocate**  
 17 **five percent (5%) of the assessed value in the allocation**  
 18 **area that is used to calculate the allocation and distribution**  
 19 **of allocated tax proceeds under this section to the**  
 20 **respective taxing units. However, if the commission notifies**  
 21 **the county auditor and the department of local government**  
 22 **finance, no later than July 15, that it is unable to meet its**  
 23 **debt service obligations with regard to the allocation area**  
 24 **without all or part of the allocated tax proceeds attributed**  
 25 **to the assessed value that has been allocated to the**  
 26 **respective taxing units, then the county auditor may not**  
 27 **allocate five percent (5%) of the assessed value in the**  
 28 **allocation area that is used to calculate the allocation and**  
 29 **distribution of allocated tax proceeds under this section to**  
 30 **the respective taxing units.**

31 (c) For the purpose of allocating taxes levied by or for any taxing  
 32 unit or units, the assessed value of taxable property in a territory in the  
 33 allocation area that is annexed by any taxing unit after the effective  
 34 date of the allocation provision of the resolution is the lesser of:

35 (1) the assessed value of the property for the assessment date with  
 36 respect to which the allocation and distribution is made; or

37 (2) the base assessed value.

38 (d) Property tax proceeds allocable to the redevelopment district  
 39 under subsection (b)(3) may, subject to subsection (b)(4), be  
 40 irrevocably pledged by the redevelopment district for payment as set  
 41 forth in subsection (b)(3).

42 (e) Notwithstanding any other law, each assessor shall, upon



1 petition of the commission, reassess the taxable property situated upon  
 2 or in, or added to, the allocation area, effective on the next assessment  
 3 date after the petition.

4 (f) Notwithstanding any other law, the assessed value of all taxable  
 5 property in the allocation area, for purposes of tax limitation, property  
 6 tax replacement, and formulation of the budget, tax rate, and tax levy  
 7 for each political subdivision in which the property is located, is the  
 8 lesser of:

9 (1) the assessed value of the property as valued without regard to  
 10 this section; or

11 (2) the base assessed value.

12 (g) If any part of the allocation area is located in an enterprise zone  
 13 created under IC 5-28-15, the unit that designated the allocation area  
 14 shall create funds as specified in this subsection. A unit that has  
 15 obligations, bonds, or leases payable from allocated tax proceeds under  
 16 subsection (b)(3) shall establish an allocation fund for the purposes  
 17 specified in subsection (b)(3) and a special zone fund. Such a unit  
 18 shall, until the end of the enterprise zone phase out period, deposit each  
 19 year in the special zone fund the amount in the allocation fund derived  
 20 from property tax proceeds in excess of those described in subsection  
 21 (b)(1) and (b)(2) from property located in the enterprise zone that  
 22 exceeds the amount sufficient for the purposes specified in subsection  
 23 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 24 payable from allocated tax proceeds under subsection (b)(3) shall  
 25 establish a special zone fund and deposit all the property tax proceeds  
 26 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 27 derived from property tax proceeds in excess of those described in  
 28 subsection (b)(1) and (b)(2) from property located in the enterprise  
 29 zone. The unit that creates the special zone fund shall use the fund,  
 30 based on the recommendations of the urban enterprise association, for  
 31 one (1) or more of the following purposes:

32 (1) To pay for programs in job training, job enrichment, and basic  
 33 skill development designed to benefit residents and employers in  
 34 the enterprise zone. The programs must reserve at least one-half  
 35 (1/2) of the enrollment in any session for residents of the  
 36 enterprise zone.

37 (2) To make loans and grants for the purpose of stimulating  
 38 business activity in the enterprise zone or providing employment  
 39 for enterprise zone residents in an enterprise zone. These loans  
 40 and grants may be made to the following:

41 (A) Businesses operating in the enterprise zone.

42 (B) Businesses that will move their operations to the enterprise



1           zone if such a loan or grant is made.

2           (3) To provide funds to carry out other purposes specified in

3           subsection (b)(3). However, where reference is made in

4           subsection (b)(3) to the allocation area, the reference refers, for

5           purposes of payments from the special zone fund, only to that part

6           of the allocation area that is also located in the enterprise zone.

7           (h) The state board of accounts and department of local government

8           finance shall make the rules and prescribe the forms and procedures

9           that they consider expedient for the implementation of this chapter.

10          After each reassessment of real property in an area under a county's

11          reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~

12          ~~local government finance~~ **county auditor** shall, **on forms prescribed**

13          **by the department of local government finance**, adjust the base

14          assessed value one (1) time to neutralize any effect of the reassessment

15          of the real property in the area on the property tax proceeds allocated

16          to the redevelopment district under this section. After each annual

17          adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~

18          ~~finance~~ **county auditor** shall, **on forms prescribed by the**

19          **department of local government finance**, adjust the base assessed

20          value to neutralize any effect of the annual adjustment on the property

21          tax proceeds allocated to the redevelopment district under this section.

22          However, the adjustments under this subsection may not include the

23          effect of property tax abatements under IC 6-1.1-12.1, and these

24          adjustments may not produce less property tax proceeds allocable to

25          the redevelopment district under subsection (b)(3) than would

26          otherwise have been received if the reassessment under the county's

27          reassessment plan or annual adjustment had not occurred. ~~The~~

28          ~~department of local government finance may prescribe procedures for~~

29          ~~county and township officials to follow to assist the department in~~

30          ~~making the adjustments.~~ **The county auditor shall, in the manner**

31          **prescribed by the department of local government finance, submit**

32          **the forms required by this subsection to the department of local**

33          **government finance no later than July 15 of each year. If the**

34          **county auditor fails to submit the forms by the deadline under this**

35          **subsection, the county auditor shall allocate five percent (5%) of**

36          **the assessed value in the allocation area that is used to calculate the**

37          **allocation and distribution of allocated tax proceeds under this**

38          **section to the respective taxing units. However, if the commission**

39          **notifies the county auditor and the department of local government**

40          **finance, no later than July 15, that it is unable to meet its debt**

41          **service obligations with regard to the allocation area without all or**

42          **part of the allocated tax proceeds attributed to the assessed value**



1 **that has been allocated to the respective taxing units, then the**  
 2 **county auditor may not allocate five percent (5%) of the assessed**  
 3 **value in the allocation area that is used to calculate the allocation**  
 4 **and distribution of allocated tax proceeds under this section to the**  
 5 **respective taxing units.**

6 (i) The allocation deadline referred to in subsection (b) is  
 7 determined in the following manner:

8 (1) The initial allocation deadline is December 31, 2011.

9 (2) Subject to subdivision (3), the initial allocation deadline and  
 10 subsequent allocation deadlines are automatically extended in  
 11 increments of five (5) years, so that allocation deadlines  
 12 subsequent to the initial allocation deadline fall on December 31,  
 13 2016, and December 31 of each fifth year thereafter.

14 (3) At least one (1) year before the date of an allocation deadline  
 15 determined under subdivision (2), the general assembly may enact  
 16 a law that:

17 (A) terminates the automatic extension of allocation deadlines  
 18 under subdivision (2); and

19 (B) specifically designates a particular date as the final  
 20 allocation deadline.

21 (j) If the commission adopts a declaratory resolution or an  
 22 amendment to a declaratory resolution that contains an allocation  
 23 provision and the commission makes either of the filings required  
 24 under section 10(e) of this chapter after the first anniversary of the  
 25 effective date of the allocation provision, the auditor of the county in  
 26 which the unit is located shall compute the base assessed value for the  
 27 allocation area using the assessment date immediately preceding the  
 28 later of:

29 (1) the date on which the documents are filed with the county  
 30 auditor; or

31 (2) the date on which the documents are filed with the department  
 32 of local government finance.

33 (k) For an allocation area established after June 30, 2024,  
 34 "residential property" refers to the assessed value of property that is  
 35 allocated to the one percent (1%) homestead land and improvement  
 36 categories in the county tax and billing software system, along with the  
 37 residential assessed value as defined for purposes of calculating the  
 38 rate for the local income tax property tax relief credit designated for  
 39 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

40 SECTION 56. IC 36-7-15.1-62, AS AMENDED BY P.L.257-2019,  
 41 SECTION 131, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding section



1 26(a) of this chapter, with respect to the allocation and distribution of  
 2 property taxes for the accomplishment of the purposes of an  
 3 age-restricted housing program adopted under section 59 of this  
 4 chapter, "base assessed value" means, subject to section 26(j) of this  
 5 chapter, the net assessed value of all of the property, other than  
 6 personal property, as finally determined for the assessment date  
 7 immediately preceding the effective date of the allocation provision, as  
 8 adjusted under section 26(h) of this chapter.

9 (b) The allocation fund established under section 26(b) of this  
 10 chapter for the allocation area for an age-restricted housing program  
 11 adopted under section 59 of this chapter may be used only for purposes  
 12 related to the accomplishment of the purposes of the program,  
 13 including, but not limited to, the following:

14 (1) The construction of any infrastructure (including streets,  
 15 sidewalks, and sewers) or local public improvements in, serving,  
 16 or benefiting the allocation area.

17 (2) The acquisition of real property and interests in real property  
 18 within the allocation area.

19 (3) The preparation of real property in anticipation of  
 20 development of the real property within the allocation area.

21 (4) To do any of the following:

22 (A) Pay the principal of and interest on bonds or any other  
 23 obligations payable from allocated tax proceeds in the  
 24 allocation area that are incurred by the redevelopment district  
 25 for the purpose of financing or refinancing the age-restricted  
 26 housing program established under section 59 of this chapter  
 27 for the allocation area.

28 (B) Establish, augment, or restore the debt service reserve for  
 29 bonds payable solely or in part from allocated tax proceeds in  
 30 the allocation area.

31 (C) Pay the principal of and interest on bonds payable from  
 32 allocated tax proceeds in the allocation area and from the  
 33 special tax levied under section 19 of this chapter.

34 (D) Pay the principal of and interest on bonds issued by the  
 35 unit to pay for local public improvements that are physically  
 36 located in or physically connected to the allocation area.

37 (E) Pay premiums on the redemption before maturity of bonds  
 38 payable solely or in part from allocated tax proceeds in the  
 39 allocation area.

40 (F) Make payments on leases payable from allocated tax  
 41 proceeds in the allocation area under section 17.1 of this  
 42 chapter.





(G) Reimburse the unit for expenditures made by the unit for local public improvements (which include buildings, parking facilities, and other items described in section 17(a) of this chapter) that are physically located in or physically connected to the allocation area.

(c) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the allocation fund established under section 26(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 59 of this chapter, do the following before June 15 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 26(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (b)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. **If a commission fails to provide the notice under subdivision (2), the county auditor shall allocate five percent (5%)**



1 of the assessed value in the allocation area that is used to calculate  
 2 the allocation and distribution of allocated tax proceeds under this  
 3 section to the respective taxing units. However, if the commission  
 4 notifies the county auditor and the department of local government  
 5 finance, no later than July 15, that it is unable to meet its debt  
 6 service obligations with regard to the allocation area without all or  
 7 part of the allocated tax proceeds attributed to the assessed value  
 8 that has been allocated to the respective taxing units, then the  
 9 county auditor may not allocate five percent (5%) of the assessed  
 10 value in the allocation area that is used to calculate the allocation  
 11 and distribution of allocated tax proceeds under this section to the  
 12 respective taxing units.

13 SECTION 57. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,  
 14 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JULY 1, 2026]: Sec. 25. (a) The following definitions apply throughout  
 16 this section:

17 (1) "Allocation area" means that part of a military base reuse area  
 18 to which an allocation provision of a declaratory resolution  
 19 adopted under section 10 of this chapter refers for purposes of  
 20 distribution and allocation of property taxes.

21 (2) "Base assessed value" means, subject to subsection (i):

22 (A) the net assessed value of all the property as finally  
 23 determined for the assessment date immediately preceding the  
 24 adoption date of the allocation provision of the declaratory  
 25 resolution, as adjusted under subsection (h); plus

26 (B) to the extent that it is not included in clause (A) or (C), the  
 27 net assessed value of any and all parcels or classes of parcels  
 28 identified as part of the base assessed value in the declaratory  
 29 resolution or an amendment thereto, as finally determined for  
 30 any subsequent assessment date; plus

31 (C) to the extent that it is not included in clause (A) or (B), the  
 32 net assessed value of property that is assessed as residential  
 33 property under the rules of the department of local government  
 34 finance, within the allocation area, as finally determined for  
 35 the current assessment date.

36 Clause (C) applies only to allocation areas established in a  
 37 military reuse area after June 30, 1997, and to the part of an  
 38 allocation area that was established before June 30, 1997, and that  
 39 is added to an existing allocation area after June 30, 1997.

40 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
 41 property.

42 (b) A declaratory resolution adopted under section 10 of this chapter



1 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
 2 resolutions adopted under IC 36-7-14-15 may include a provision with  
 3 respect to the allocation and distribution of property taxes for the  
 4 purposes and in the manner provided in this section. A declaratory  
 5 resolution previously adopted may include an allocation provision by  
 6 the amendment of that declaratory resolution in accordance with the  
 7 procedures set forth in section 13 of this chapter. The allocation  
 8 provision may apply to all or part of the military base reuse area. The  
 9 allocation provision must require that any property taxes subsequently  
 10 levied by or for the benefit of any public body entitled to a distribution  
 11 of property taxes on taxable property in the allocation area be allocated  
 12 and distributed as follows:

13 (1) Except as otherwise provided in this section, the proceeds of  
 14 the taxes attributable to the lesser of:

15 (A) the assessed value of the property for the assessment date  
 16 with respect to which the allocation and distribution is made;

17 or

18 (B) the base assessed value;

19 shall be allocated to and, when collected, paid into the funds of  
 20 the respective taxing units.

21 (2) The excess of the proceeds of the property taxes imposed for  
 22 the assessment date with respect to which the allocation and  
 23 distribution are made that are attributable to taxes imposed after  
 24 being approved by the voters in a referendum or local public  
 25 question conducted after April 30, 2010, not otherwise included  
 26 in subdivision (1) shall be allocated to and, when collected, paid  
 27 into the funds of the taxing unit for which the referendum or local  
 28 public question was conducted.

29 (3) Except as otherwise provided in this section, property tax  
 30 proceeds in excess of those described in subdivisions (1) and (2)  
 31 shall be allocated to the military base reuse district and, when  
 32 collected, paid into an allocation fund for that allocation area that  
 33 may be used by the military base reuse district and only to do one  
 34 (1) or more of the following:

35 (A) Pay the principal of and interest and redemption premium  
 36 on any obligations incurred by the military base reuse district  
 37 or any other entity for the purpose of financing or refinancing  
 38 military base reuse activities in or directly serving or  
 39 benefiting that allocation area.

40 (B) Establish, augment, or restore the debt service reserve for  
 41 bonds payable solely or in part from allocated tax proceeds in  
 42 that allocation area or from other revenues of the reuse



authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

(F) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal



body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 19 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.



(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each reassessment of real property in an area under the county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property



1 tax proceeds allocated to the military base reuse district under this  
 2 section. However, the adjustments under this subsection may not  
 3 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 4 these adjustments may not produce less property tax proceeds allocable  
 5 to the military base reuse district under subsection (b)(3) than would  
 6 otherwise have been received if the reassessment under the county's  
 7 reassessment plan or annual adjustment had not occurred. ~~The~~  
 8 ~~department of local government finance may prescribe procedures for~~  
 9 ~~county and township officials to follow to assist the department in~~  
 10 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 11 **prescribed by the department of local government finance, submit**  
 12 **the forms required by this subsection to the department of local**  
 13 **government finance no later than July 15 of each year. If the**  
 14 **county auditor fails to submit the forms by the deadline under this**  
 15 **subsection, the county auditor shall allocate five percent (5%) of**  
 16 **the assessed value in the allocation area that is used to calculate the**  
 17 **allocation and distribution of allocated tax proceeds under this**  
 18 **section to the respective taxing units. However, if the reuse**  
 19 **authority notifies the county auditor and the department of local**  
 20 **government finance, no later than July 15, that it is unable to meet**  
 21 **its debt service obligations with regard to the allocation area**  
 22 **without all or part of the allocated tax proceeds attributed to the**  
 23 **assessed value that has been allocated to the respective taxing**  
 24 **units, then the county auditor may not allocate five percent (5%)**  
 25 **of the assessed value in the allocation area that is used to calculate**  
 26 **the allocation and distribution of allocated tax proceeds under this**  
 27 **section to the respective taxing units.**

28 (i) If the reuse authority adopts a declaratory resolution or an  
 29 amendment to a declaratory resolution that contains an allocation  
 30 provision and the reuse authority makes either of the filings required  
 31 under section 12(c) or 13(f) of this chapter after the first anniversary of  
 32 the effective date of the allocation provision, the auditor of the county  
 33 in which the military base reuse district is located shall compute the  
 34 base assessed value for the allocation area using the assessment date  
 35 immediately preceding the later of:

36 (1) the date on which the documents are filed with the county  
 37 auditor; or

38 (2) the date on which the documents are filed with the department  
 39 of local government finance.

40 (j) For an allocation area established after June 30, 2024,  
 41 "residential property" refers to the assessed value of property that is  
 42 allocated to the one percent (1%) homestead land and improvement



categories in the county tax and billing software system, along with the residential assessed value as defined for purposes of calculating the rate for the local income tax property tax relief credit designated for residential property under IC 6-3.6-5-6(d)(3).

SECTION 58. IC 36-7-30-25, AS AMENDED BY P.L.68-2025, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means, subject to subsection (i):

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the allocation area, as finally determined for the current assessment date.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The





1 allocation provision must require that any property taxes subsequently  
 2 levied by or for the benefit of any public body entitled to a distribution  
 3 of property taxes on taxable property in the allocation area be allocated  
 4 and distributed as follows:

5 (1) Except as otherwise provided in this section, the proceeds of  
 6 the taxes attributable to the lesser of:

7 (A) the assessed value of the property for the assessment date  
 8 with respect to which the allocation and distribution is made;  
 9 or

10 (B) the base assessed value;

11 shall be allocated to and, when collected, paid into the funds of  
 12 the respective taxing units.

13 (2) The excess of the proceeds of the property taxes imposed for  
 14 the assessment date with respect to which the allocation and  
 15 distribution are made that are attributable to taxes imposed after  
 16 being approved by the voters in a referendum or local public  
 17 question conducted after April 30, 2010, not otherwise included  
 18 in subdivision (1) shall be allocated to and, when collected, paid  
 19 into the funds of the taxing unit for which the referendum or local  
 20 public question was conducted.

21 (3) Except as otherwise provided in this section, property tax  
 22 proceeds in excess of those described in subdivisions (1) and (2)  
 23 shall be allocated to the military base reuse district and, when  
 24 collected, paid into an allocation fund for that allocation area that  
 25 may be used by the military base reuse district and only to do one

26 (1) or more of the following:

27 (A) Pay the principal of and interest and redemption premium  
 28 on any obligations incurred by the military base reuse district  
 29 or any other entity for the purpose of financing or refinancing  
 30 military base reuse activities in or directly serving or  
 31 benefiting that allocation area.

32 (B) Establish, augment, or restore the debt service reserve for  
 33 bonds payable solely or in part from allocated tax proceeds in  
 34 that allocation area or from other revenues of the reuse  
 35 authority, including lease rental revenues.

36 (C) Make payments on leases payable solely or in part from  
 37 allocated tax proceeds in that allocation area.

38 (D) Reimburse any other governmental body for expenditures  
 39 made for local public improvements (or structures) in or  
 40 directly serving or benefiting that allocation area.

41 (E) Pay expenses incurred by the reuse authority, any other  
 42 department of the unit, or a department of another



governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

(F) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or



(ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 19 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived



1 from property tax proceeds in excess of those described in subsection  
 2 (b)(1) and (b)(2) from property located in the enterprise zone that  
 3 exceeds the amount sufficient for the purposes specified in subsection  
 4 (b)(3) for the year. The amount sufficient for purposes specified in  
 5 subsection (b)(3) for the year shall be determined based on the pro rata  
 6 part of such current property tax proceeds from the part of the  
 7 enterprise zone that is within the allocation area as compared to all  
 8 such current property tax proceeds derived from the allocation area. A  
 9 unit that does not have obligations, bonds, or leases payable from  
 10 allocated tax proceeds under subsection (b)(3) shall establish a special  
 11 zone fund and deposit all the property tax proceeds in excess of those  
 12 described in subsection (b)(1) and (b)(2) that are derived from property  
 13 in the enterprise zone in the fund. The unit that creates the special zone  
 14 fund shall use the fund (based on the recommendations of the urban  
 15 enterprise association) for programs in job training, job enrichment,  
 16 and basic skill development that are designed to benefit residents and  
 17 employers in the enterprise zone or other purposes specified in  
 18 subsection (b)(3), except that where reference is made in subsection  
 19 (b)(3) to allocation area it shall refer for purposes of payments from the  
 20 special zone fund only to that part of the allocation area that is also  
 21 located in the enterprise zone. The programs shall reserve at least  
 22 one-half (1/2) of their enrollment in any session for residents of the  
 23 enterprise zone.

24 (h) After each reassessment of real property in an area under the  
 25 county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of~~  
 26 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 27 **by the department of local government finance**, adjust the base  
 28 assessed value one (1) time to neutralize any effect of the reassessment  
 29 of the real property in the area on the property tax proceeds allocated  
 30 to the military base reuse district under this section. After each annual  
 31 adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~  
 32 ~~finance~~ **county auditor** shall, **on forms prescribed by the**  
 33 **department of local government finance**, adjust the base assessed  
 34 value to neutralize any effect of the annual adjustment on the property  
 35 tax proceeds allocated to the military base reuse district under this  
 36 section. However, the adjustments under this subsection may not  
 37 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 38 these adjustments may not produce less property tax proceeds allocable  
 39 to the military base reuse district under subsection (b)(3) than would  
 40 otherwise have been received if the reassessment under the county's  
 41 reassessment plan or annual adjustment had not occurred. ~~The~~  
 42 ~~department of local government finance may prescribe procedures for~~



1 county and township officials to follow to assist the department in  
 2 making the adjustments. **The county auditor shall, in the manner**  
 3 **prescribed by the department of local government finance, submit**  
 4 **the forms required by this subsection to the department of local**  
 5 **government finance no later than July 15 of each year. If the**  
 6 **county auditor fails to submit the forms by the deadline under this**  
 7 **subsection, the county auditor shall allocate five percent (5%) of**  
 8 **the assessed value in the allocation area that is used to calculate the**  
 9 **allocation and distribution of allocated tax proceeds under this**  
 10 **section to the respective taxing units. However, if the reuse**  
 11 **authority notifies the county auditor and the department of local**  
 12 **government finance, no later than July 15, that it is unable to meet**  
 13 **its debt service obligations with regard to the allocation area**  
 14 **without all or part of the allocated tax proceeds attributed to the**  
 15 **assessed value that has been allocated to the respective taxing**  
 16 **units, then the county auditor may not allocate five percent (5%)**  
 17 **of the assessed value in the allocation area that is used to calculate**  
 18 **the allocation and distribution of allocated tax proceeds under this**  
 19 **section to the respective taxing units.**

20 (i) If the reuse authority adopts a declaratory resolution or an  
 21 amendment to a declaratory resolution that contains an allocation  
 22 provision and the reuse authority makes either of the filings required  
 23 under section 12(c) or 13(f) of this chapter after the first anniversary of  
 24 the effective date of the allocation provision, the auditor of the county  
 25 in which the military base reuse district is located shall compute the  
 26 base assessed value for the allocation area using the assessment date  
 27 immediately preceding the later of:

- 28 (1) the date on which the documents are filed with the county
- 29 auditor; or
- 30 (2) the date on which the documents are filed with the department
- 31 of local government finance.

32 (j) For an allocation area established after June 30, 2024,  
 33 "residential property" refers to the assessed value of property that is  
 34 allocated to the one percent (1%) homestead land and improvement  
 35 categories in the county tax and billing software system, along with the  
 36 residential assessed value as defined for purposes of calculating the  
 37 rate for the local income tax property tax relief credit designated for  
 38 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

39 SECTION 59. IC 36-7-30.5-30, AS AMENDED BY P.L.174-2022,  
 40 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2026]: Sec. 30. (a) The following definitions apply throughout  
 42 this section:



(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means, subject to subsection (i):

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the allocation area, as finally determined for the current assessment date.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.



(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax



1 replacement amount (as defined in IC 6-1.1-21-2 (before its  
2 repeal)) for that year as determined under IC 6-1.1-21-4  
3 (before its repeal) that is attributable to the taxing district;  
4 by

5 (ii) the STEP ONE sum.

6 STEP THREE: Multiply:

7 (i) the STEP TWO quotient; by

8 (ii) the total amount of the taxpayer's taxes (as defined in  
9 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
10 that have been allocated during that year to an allocation  
11 fund under this section.

12 If not all the taxpayers in an allocation area receive the credit  
13 in full, each taxpayer in the allocation area is entitled to  
14 receive the same proportion of the credit. A taxpayer may not  
15 receive a credit under this section and a credit under section  
16 32 of this chapter (before its repeal) in the same year.

17 (F) Pay expenses incurred by the development authority for  
18 local public improvements or structures that were in the  
19 allocation area or directly serving or benefiting the allocation  
20 area.

21 (G) Reimburse public and private entities for expenses  
22 incurred in training employees of industrial facilities that are  
23 located:

24 (i) in the allocation area; and

25 (ii) on a parcel of real property that has been classified as  
26 industrial property under the rules of the department of local  
27 government finance.

28 However, the total amount of money spent for this purpose in  
29 any year may not exceed the total amount of money in the  
30 allocation fund that is attributable to property taxes paid by the  
31 industrial facilities described in this clause. The  
32 reimbursements under this clause must be made not more than  
33 three (3) years after the date on which the investments that are  
34 the basis for the increment financing are made.

35 (H) Expend money and provide financial assistance as  
36 authorized in section 15(26) of this chapter.

37 The allocation fund may not be used for operating expenses of the  
38 development authority.

39 (4) Except as provided in subsection (g), before July 15 of each  
40 year the development authority shall do the following:

41 (A) Determine the amount, if any, by which property taxes  
42 payable to the allocation fund in the following year will exceed





the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivisions (2) and (3).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21 (before its repeal).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.



(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each reassessment of real property in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~



1 ~~local government finance county auditor~~ shall, **on forms prescribed**  
 2 **by the department of local government finance**, adjust the base  
 3 assessed value one (1) time to neutralize any effect of the reassessment  
 4 of the real property in the area on the property tax proceeds allocated  
 5 to the military base development district under this section. After each  
 6 annual adjustment under IC 6-1.1-4-4.5, ~~the department of local~~  
 7 ~~government finance county auditor~~ shall, **on forms prescribed by the**  
 8 **department of local government finance**, adjust the base assessed  
 9 value to neutralize any effect of the annual adjustment on the property  
 10 tax proceeds allocated to the military base development district under  
 11 this section. However, the adjustments under this subsection may not  
 12 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 13 these adjustments may not produce less property tax proceeds allocable  
 14 to the military base development district under subsection (b)(3) than  
 15 would otherwise have been received if the reassessment under the  
 16 county's reassessment plan or annual adjustment had not occurred. ~~The~~  
 17 ~~department of local government finance may prescribe procedures for~~  
 18 ~~county and township officials to follow to assist the department in~~  
 19 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 20 **prescribed by the department of local government finance, submit**  
 21 **the forms required by this subsection to the department of local**  
 22 **government finance no later than July 15 of each year. If the**  
 23 **county auditor fails to submit the forms by the deadline under this**  
 24 **subsection, the county auditor shall allocate five percent (5%) of**  
 25 **the assessed value in the allocation area that is used to calculate the**  
 26 **allocation and distribution of allocated tax proceeds under this**  
 27 **section to the respective taxing units. However, if the development**  
 28 **authority notifies the county auditor and the department of local**  
 29 **government finance, no later than July 15, that it is unable to meet**  
 30 **its debt service obligations with regard to the allocation area**  
 31 **without all or part of the allocated tax proceeds attributed to the**  
 32 **assessed value that has been allocated to the respective taxing**  
 33 **units, then the county auditor may not allocate five percent (5%)**  
 34 **of the assessed value in the allocation area that is used to calculate**  
 35 **the allocation and distribution of allocated tax proceeds under this**  
 36 **section to the respective taxing units.**

37 (i) If the development authority adopts a declaratory resolution or  
 38 an amendment to a declaratory resolution that contains an allocation  
 39 provision and the development authority makes either of the filings  
 40 required under section 17(e) or 18(f) of this chapter after the first  
 41 anniversary of the effective date of the allocation provision, the auditor  
 42 of the county in which the military base development district is located



1 shall compute the base assessed value for the allocation area using the  
2 assessment date immediately preceding the later of:

- 3 (1) the date on which the documents are filed with the county  
4 auditor; or  
5 (2) the date on which the documents are filed with the department  
6 of local government finance.

7 (j) For an allocation area established after June 30, 2024,  
8 "residential property" refers to the assessed value of property that is  
9 allocated to the one percent (1%) homestead land and improvement  
10 categories in the county tax and billing software system, along with the  
11 residential assessed value as defined for purposes of calculating the  
12 rate for the local income tax property tax relief credit designated for  
13 residential property under IC 6-3.6-5-6(d)(3).

14 SECTION 60. IC 36-7-30.5-30, AS AMENDED BY P.L.68-2025,  
15 SECTION 238, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2027]: Sec. 30. (a) The following definitions  
17 apply throughout this section:

18 (1) "Allocation area" means that part of a military base  
19 development area to which an allocation provision of a  
20 declaratory resolution adopted under section 16 of this chapter  
21 refers for purposes of distribution and allocation of property taxes.

22 (2) "Base assessed value" means, subject to subsection (i):

23 (A) the net assessed value of all the property as finally  
24 determined for the assessment date immediately preceding the  
25 adoption date of the allocation provision of the declaratory  
26 resolution, as adjusted under subsection (h); plus

27 (B) to the extent that it is not included in clause (A) or (C), the  
28 net assessed value of any and all parcels or classes of parcels  
29 identified as part of the base assessed value in the declaratory  
30 resolution or an amendment to the declaratory resolution, as  
31 finally determined for any subsequent assessment date; plus  
32 (C) to the extent that it is not included in clause (A) or (B), the  
33 net assessed value of property that is assessed as residential  
34 property under the rules of the department of local government  
35 finance, within the allocation area, as finally determined for  
36 the current assessment date.

37 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
38 property.

39 (b) A declaratory resolution adopted under section 16 of this chapter  
40 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
41 resolutions adopted under IC 36-7-14-15 may include a provision with  
42 respect to the allocation and distribution of property taxes for the



1 purposes and in the manner provided in this section. A declaratory  
 2 resolution previously adopted may include an allocation provision by  
 3 the amendment of that declaratory resolution in accordance with the  
 4 procedures set forth in section 18 of this chapter. The allocation  
 5 provision may apply to all or part of the military base development  
 6 area. The allocation provision must require that any property taxes  
 7 subsequently levied by or for the benefit of any public body entitled to  
 8 a distribution of property taxes on taxable property in the allocation  
 9 area be allocated and distributed as follows:

10 (1) Except as otherwise provided in this section, the proceeds of  
 11 the taxes attributable to the lesser of:

12 (A) the assessed value of the property for the assessment date  
 13 with respect to which the allocation and distribution is made;  
 14 or

15 (B) the base assessed value;  
 16 shall be allocated to and, when collected, paid into the funds of  
 17 the respective taxing units.

18 (2) The excess of the proceeds of the property taxes imposed for  
 19 the assessment date with respect to which the allocation and  
 20 distribution is made that are attributable to taxes imposed after  
 21 being approved by the voters in a referendum or local public  
 22 question conducted after April 30, 2010, not otherwise included  
 23 in subdivision (1) shall be allocated to and, when collected, paid  
 24 into the funds of the taxing unit for which the referendum or local  
 25 public question was conducted.

26 (3) Except as otherwise provided in this section, property tax  
 27 proceeds in excess of those described in subdivisions (1) and (2)  
 28 shall be allocated to the development authority and, when  
 29 collected, paid into an allocation fund for that allocation area that  
 30 may be used by the development authority and only to do one (1)  
 31 or more of the following:

32 (A) Pay the principal of and interest and redemption premium  
 33 on any obligations incurred by the development authority or  
 34 any other entity for the purpose of financing or refinancing  
 35 military base development or reuse activities in or directly  
 36 serving or benefiting that allocation area.

37 (B) Establish, augment, or restore the debt service reserve for  
 38 bonds payable solely or in part from allocated tax proceeds in  
 39 that allocation area or from other revenues of the development  
 40 authority, including lease rental revenues.

41 (C) Make payments on leases payable solely or in part from  
 42 allocated tax proceeds in that allocation area.



(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as



1 industrial property under the rules of the department of local  
2 government finance.

3 However, the total amount of money spent for this purpose in  
4 any year may not exceed the total amount of money in the  
5 allocation fund that is attributable to property taxes paid by the  
6 industrial facilities described in this clause. The  
7 reimbursements under this clause must be made not more than  
8 three (3) years after the date on which the investments that are  
9 the basis for the increment financing are made.

10 (H) Expend money and provide financial assistance as  
11 authorized in section 15(26) of this chapter.

12 The allocation fund may not be used for operating expenses of the  
13 development authority.

14 (4) Except as provided in subsection (g), before July 15 of each  
15 year the development authority shall do the following:

16 (A) Determine the amount, if any, by which property taxes  
17 payable to the allocation fund in the following year will exceed  
18 the amount of property taxes necessary to make, when due,  
19 principal and interest payments on bonds described in  
20 subdivision (3) plus the amount necessary for other purposes  
21 described in subdivisions (2) and (3).

22 (B) Provide a written notice to the appropriate county auditors  
23 and the fiscal bodies and other officers who are authorized to  
24 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
25 each of the other taxing units that is wholly or partly located  
26 within the allocation area. The notice must:

27 (i) state the amount, if any, of the excess property taxes that  
28 the development authority has determined may be paid to  
29 the respective taxing units in the manner prescribed in  
30 subdivision (1); or

31 (ii) state that the development authority has determined that  
32 there is no excess assessed value that may be allocated to the  
33 respective taxing units in the manner prescribed in  
34 subdivision (1).

35 The county auditors shall allocate to the respective taxing units  
36 the amount, if any, of excess assessed value determined by the  
37 development authority. The development authority may not  
38 authorize a payment to the respective taxing units under this  
39 subdivision if to do so would endanger the interest of the  
40 holders of bonds described in subdivision (3) or lessors under  
41 section 24 of this chapter. Property taxes received by a taxing  
42 unit under this subdivision before 2009 are eligible for the



1 property tax replacement credit provided under IC 6-1.1-21  
2 (before its repeal).

3 (c) For the purpose of allocating taxes levied by or for any taxing  
4 unit or units, the assessed value of taxable property in a territory in the  
5 allocation area that is annexed by a taxing unit after the effective date  
6 of the allocation provision of the declaratory resolution is the lesser of:

- 7 (1) the assessed value of the property for the assessment date with  
8 respect to which the allocation and distribution is made; or  
9 (2) the base assessed value.

10 (d) Property tax proceeds allocable to the military base development  
11 district under subsection (b)(3) may, subject to subsection (b)(4), be  
12 irrevocably pledged by the military base development district for  
13 payment as set forth in subsection (b)(3).

14 (e) Notwithstanding any other law, each assessor shall, upon  
15 petition of the development authority, reassess the taxable property  
16 situated upon or in or added to the allocation area, effective on the next  
17 assessment date after the petition.

18 (f) Notwithstanding any other law, the assessed value of all taxable  
19 property in the allocation area, for purposes of tax limitation, property  
20 tax replacement, and the making of the budget, tax rate, and tax levy  
21 for each political subdivision in which the property is located is the  
22 lesser of:

- 23 (1) the assessed value of the property as valued without regard to  
24 this section; or  
25 (2) the base assessed value.

26 (g) If any part of the allocation area is located in an enterprise zone  
27 created under IC 5-28-15, the development authority shall create funds  
28 as specified in this subsection. A development authority that has  
29 obligations, bonds, or leases payable from allocated tax proceeds under  
30 subsection (b)(3) shall establish an allocation fund for the purposes  
31 specified in subsection (b)(3) and a special zone fund. The  
32 development authority shall, until the end of the enterprise zone phase  
33 out period, deposit each year in the special zone fund any amount in the  
34 allocation fund derived from property tax proceeds in excess of those  
35 described in subsection (b)(1) and (b)(2) from property located in the  
36 enterprise zone that exceeds the amount sufficient for the purposes  
37 specified in subsection (b)(3) for the year. The amount sufficient for  
38 purposes specified in subsection (b)(3) for the year shall be determined  
39 based on the pro rata part of such current property tax proceeds from  
40 the part of the enterprise zone that is within the allocation area as  
41 compared to all such current property tax proceeds derived from the  
42 allocation area. A development authority that does not have





obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each reassessment of real property in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(3) than would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. ~~The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.~~ **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subsection to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the**



1 allocation and distribution of allocated tax proceeds under this  
 2 section to the respective taxing units. However, if the development  
 3 authority notifies the county auditor and the department of local  
 4 government finance, no later than July 15, that it is unable to meet  
 5 its debt service obligations with regard to the allocation area  
 6 without all or part of the allocated tax proceeds attributed to the  
 7 assessed value that has been allocated to the respective taxing  
 8 units, then the county auditor may not allocate five percent (5%)  
 9 of the assessed value in the allocation area that is used to calculate  
 10 the allocation and distribution of allocated tax proceeds under this  
 11 section to the respective taxing units.

12 (i) If the development authority adopts a declaratory resolution or  
 13 an amendment to a declaratory resolution that contains an allocation  
 14 provision and the development authority makes either of the filings  
 15 required under section 17(e) or 18(f) of this chapter after the first  
 16 anniversary of the effective date of the allocation provision, the auditor  
 17 of the county in which the military base development district is located  
 18 shall compute the base assessed value for the allocation area using the  
 19 assessment date immediately preceding the later of:

- 20 (1) the date on which the documents are filed with the county
- 21 auditor; or
- 22 (2) the date on which the documents are filed with the department
- 23 of local government finance.

24 (j) For an allocation area established after June 30, 2024,  
 25 "residential property" refers to the assessed value of property that is  
 26 allocated to the one percent (1%) homestead land and improvement  
 27 categories in the county tax and billing software system, along with the  
 28 residential assessed value as defined for purposes of calculating the  
 29 rate for the local income tax property tax relief credit designated for  
 30 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

31 SECTION 61. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,  
 32 SECTION 349, IS AMENDED TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) The state board of accounts  
 34 and department of local government finance shall make the rules and  
 35 prescribe the forms and procedures that the state board of accounts and  
 36 department of local government finance consider appropriate for the  
 37 implementation of an allocation area under this chapter.

38 (b) After each reassessment of real property in an area under a  
 39 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~  
 40 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 41 **by the department of local government finance**, adjust the base  
 42 assessed value one (1) time to neutralize any effect of the reassessment



of the real property in the area on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter.

**(c) The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this section to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the certified technology park notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

SECTION 62. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) The state board of accounts, the department of state revenue, and the department of local government finance may adopt rules under IC 4-22-2 and prescribe the forms and procedures that the state board of accounts, the department of state revenue, and the department of local government finance consider appropriate for the implementation of an innovation development district under this chapter. However, before adopting rules under this section, the state board of accounts, the department of state revenue, and the department of local government finance shall submit a report to the budget committee that:

- (1) describes the rules proposed by the state board of accounts, the department of state revenue, and the department of local government finance; and
- (2) recommends statutory changes necessary to implement the



1 provisions of this chapter.

2 (b) After each reassessment of real property in an area under a  
3 county's reassessment plan prepared under IC 6-1.1-4-4.2, the  
4 ~~department of local government finance~~ **county auditor** shall, **on**  
5 **forms prescribed by the department of local government finance,**  
6 adjust the base assessed value one (1) time to neutralize any effect of  
7 the reassessment of the real property in the area on the property tax  
8 proceeds allocated to the local innovation development district fund  
9 established by section 19 of this chapter.

10 (c) After each annual adjustment under IC 6-1.1-4-4.5, the  
11 ~~department of local government finance~~ **county auditor** shall, **on**  
12 **forms prescribed by the department of local government finance,**  
13 adjust the base assessed value to neutralize any effect of the annual  
14 adjustment on the property tax proceeds allocated to the local  
15 innovation development district fund established by section 19 of this  
16 chapter.

17 (d) The county auditor shall, in the manner prescribed by the  
18 department of local government finance, submit the forms  
19 required by this section to the department of local government  
20 finance no later than July 15 of each year. If the county auditor  
21 fails to submit the forms by the deadline under this subsection, the  
22 county auditor shall allocate five percent (5%) of the assessed  
23 value in the allocation area that is used to calculate the allocation  
24 and distribution of allocated tax proceeds under this section to the  
25 respective taxing units. However, if the district notifies the county  
26 auditor and the department of local government finance, no later  
27 than July 15, that it is unable to meet its debt service obligations  
28 with regard to the allocation area without all or part of the  
29 allocated tax proceeds attributed to the assessed value that has  
30 been allocated to the respective taxing units, then the county  
31 auditor may not allocate five percent (5%) of the assessed value in  
32 the allocation area that is used to calculate the allocation and  
33 distribution of allocated tax proceeds under this section to the  
34 respective taxing units.

35 SECTION 63. IC 36-7.5-4.5-18, AS AMENDED BY P.L.236-2023,  
36 SECTION 194, IS AMENDED TO READ AS FOLLOWS  
37 [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is established, the  
38 following apply to the administration and use of incremental property  
39 tax revenue by the development authority, or a redevelopment  
40 commission in the case of a district located in a cash participant  
41 county, in the district:

42 (1) The ~~department of local government finance~~ **county auditor**



shall, on forms prescribed by the department of local government finance, adjust the base assessed value to neutralize any effect of a reassessment and the annual adjustment of the real property in the district in the same manner as provided in IC 36-7-14-39(h). **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subdivision to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subdivision, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the district notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(2) Proceeds of the property taxes approved by the voters in a referendum or local public question shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted in the same manner as provided in IC 36-7-14-39(b)(3).

(3) Incremental property tax revenue may be used only for one (1) or more of the following purposes for a district:

(A) To finance the improvement, construction, reconstruction, renovation, and acquisition of real and personal property improvements within a district.

(B) To pay the principal of and interest on any obligations that are incurred for the purpose of financing or refinancing development in the district, including local public improvements that are physically located in or physically connected to the district.

(C) To establish, augment, or restore the debt service reserve for bonds payable solely or in part from incremental property tax revenue from the district.

(D) To pay premiums on the redemption before maturity of



bonds payable solely or in part from incremental property tax revenue from the district.

(E) To make payments on leases payable from incremental property tax revenue from the district.

(F) To reimburse a municipality in which a district is located for expenditures made by the municipality for local public improvements that are physically located in or physically connected to the district.

(G) To reimburse a municipality for rentals paid by the municipality for a building or parking facility that is physically located in or physically connected to the district under any lease entered into under IC 36-1-10.

(H) To pay expenses incurred by the development authority for local public improvements that are in the district or serving the district.

SECTION 64. IC 36-8-19-8.5, AS AMENDED BY P.L.255-2017, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of each participating unit must adopt an ordinance (in the case of a county or municipality) or a resolution (in the case of a township or fire protection district), and the following requirements must be met:

(1) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other participating units under this section.

(2) Before adopting the ordinance or resolution, each participating unit must comply with the notice and hearing requirements of IC 6-1.1-41-3.

(3) The ordinance or resolution authorizes the provider unit to establish the fund.

(4) The ordinance or resolution includes at least the following:

(A) The name of each participating unit and the provider unit.

(B) An agreement to impose a uniform tax rate upon all of the taxable property within the territory for the equipment replacement fund.

(C) The contents of the agreement to establish the fund.

An ordinance or a resolution adopted under this section takes effect as provided in IC 6-1.1-41.

(b) If a fund is established, the participating units may agree to:

(1) impose a property tax to provide for the accumulation of



1 money in the fund to purchase fire protection equipment;  
2 (2) incur debt to purchase fire protection equipment and impose  
3 a property tax to retire the loan; or  
4 (3) transfer an amount from the fire protection territory fund to  
5 the fire equipment replacement fund not to exceed five percent  
6 (5%) of the levy for the fire protection territory fund for that year;  
7 or any combination of these options.

8 (c) The property tax rate for the levy imposed under this section is  
9 **considered part of the maximum permissible ad valorem property**  
10 **tax levy and** may not exceed three and thirty-three hundredths cents  
11 (\$0.0333) per one hundred dollars (\$100) of assessed value. Before  
12 debt may be incurred, the fiscal body of a participating unit must adopt  
13 an ordinance (in the case of a county or municipality) or a resolution  
14 (in the case of a township or fire protection district) that specifies the  
15 amount and purpose of the debt. The ordinance or resolution must be  
16 identical to the other ordinances and resolutions adopted by the  
17 participating units. Except as provided in subsection (d), if debt is to be  
18 incurred for the purposes of a fund, the provider unit shall negotiate for  
19 and hold the debt on behalf of the territory. However, the participating  
20 units and the provider unit of the territory are jointly liable for any debt  
21 incurred by the provider unit for the purposes of the fund. The most  
22 recent adjusted value of taxable property for the entire territory must be  
23 used to determine the debt limit under IC 36-1-15-6. A provider unit  
24 shall comply with all general statutes and rules relating to the  
25 incurrence of debt under this subsection.

26 (d) A participating unit of a territory may, to the extent allowed by  
27 law, incur debt in the participating unit's own name to acquire fire  
28 protection equipment or other property that is to be owned by the  
29 participating unit. A participating unit that acquires fire protection  
30 equipment or other property under this subsection may afterward enter  
31 into an interlocal agreement under IC 36-1-7 with the provider unit to  
32 furnish the fire protection equipment or other property to the provider  
33 unit for the provider unit's use or benefit in accomplishing the purposes  
34 of the territory. A participating unit shall comply with all general  
35 statutes and rules relating to the incurrence of debt under this  
36 subsection.

37 (e) Money in the fund may be used by the provider unit only for  
38 those purposes set forth in the agreement among the participating units  
39 that permits the establishment of the fund.

40 (f) The requirements and procedures specified in IC 6-1.1-41  
41 concerning the establishment or reestablishment of a cumulative fund,  
42 the imposing of a property tax for a cumulative fund, and the increasing



of a property tax rate for a cumulative fund apply to:

- (1) the establishment or reestablishment of a fund under this section;
- (2) the imposing of a property tax for a fund under this section; and
- (3) the increasing of a property tax rate for a fund under this section.

(g) Notwithstanding IC 6-1.1-18-12, if a fund established under this section is reestablished in the manner provided in IC 6-1.1-41, the property tax rate imposed for the fund in the first year after the fund is reestablished may not exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed value.

**SECTION 65. [EFFECTIVE JANUARY 1, 2024 (RETROACTIVE)] (a) This SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or provision.**

**(b) This SECTION applies to assessment dates after December 31, 2023, and before January 1, 2026.**

**(c) As used in this SECTION, "eligible property" means any real property:**

- (1) that is owned, occupied, and used by a taxpayer that:**
  - (A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and**
  - (B) has a mission focused on preserving Indiana landmarks;**
- (2) that is used for one (1) or more of the purposes described in IC 6-1.1-10-16;**
- (3) that is a parcel that:**
  - (A) was transferred to the taxpayer before January 1, 2024; and**
  - (B) is located in Vanderburgh County;**
- (4) on which property taxes were imposed for the 2024 and 2025 assessment dates; and**
- (5) that would have been eligible for an exemption under IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an exemption application had been properly and timely filed under IC 6-1.1 for the property.**

**(d) Before September 1, 2026, the owner of eligible property may file a property tax exemption application and supporting documents claiming a property tax exemption under this SECTION for the eligible property for the 2024 and 2025 assessment dates.**





1 (e) A property tax exemption application filed as provided in  
 2 subsection (d) is considered to have been properly and timely filed  
 3 for each assessment date.

4 (f) The following apply if the owner of eligible property files a  
 5 property tax exemption application as provided in subsection (d):

6 (1) The property tax exemption for the eligible property shall  
 7 be allowed and granted for the applicable assessment date by  
 8 the county assessor and county auditor of the county in which  
 9 the eligible property is located.

10 (2) The owner of the eligible property is not required to pay  
 11 any property taxes, penalties, or interest with respect to the  
 12 eligible property for the applicable assessment date.

13 (g) The exemption allowed by this SECTION shall be applied  
 14 without the need for any further ruling or action by the county  
 15 assessor, the county auditor, or the county property tax assessment  
 16 board of appeals of the county in which the eligible property is  
 17 located or by the Indiana board of tax review.

18 (h) To the extent the owner of the eligible property has paid any  
 19 property taxes, penalties, or interest with respect to the eligible  
 20 property for an applicable date and to the extent that the eligible  
 21 property is exempt from taxation as provided in this SECTION,  
 22 the owner of the eligible property is entitled to a refund of the  
 23 amounts paid. The owner is not entitled to any interest on the  
 24 refund under IC 6-1.1 or any other law to the extent interest has  
 25 not been paid by or on behalf of the owner. Notwithstanding the  
 26 filing deadlines for a claim under IC 6-1.1-26, any claim for a  
 27 refund filed by the owner of eligible property under this SECTION  
 28 before September 1, 2026, is considered timely filed. The county  
 29 auditor shall pay the refund due under this SECTION in one (1)  
 30 installment.

31 (i) This SECTION expires June 30, 2027.

32 SECTION 66. [EFFECTIVE JANUARY 1, 2026  
 33 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to  
 34 assessment dates occurring after December 31, 2025, for property  
 35 taxes first due and payable in 2027.

36 (b) This SECTION expires July 1, 2030.

37 SECTION 67. [EFFECTIVE JANUARY 1, 2026  
 38 (RETROACTIVE)] (a) The amendments made by this act to:

39 (1) IC 6-1.1-12.6-2;

40 (2) IC 6-1.1-12.6-4;

41 (3) IC 6-1.1-12.6-8;

42 (4) IC 6-1.1-12.8-3;



1           (5) IC 6-1.1-12.8-4;  
2           (6) IC 6-1.1-12.8-9; and  
3           (7) IC 6-1.1-12.8-10;  
4       **apply to assessment dates occurring after December 31, 2025.**  
5       **(b) This SECTION expires January 1, 2028.**  
6       SECTION 68. [EFFECTIVE UPON PASSAGE] (a) IC 6-3.6-6-3  
7       was amended by P.L.137-2024, SECTION 9, effective July 1, 2024,  
8       until July 1, 2027, and by P.L.68-2025, SECTION 124, effective  
9       July 1, 2027. The general assembly recognizes that this act amends,  
10      effective July 1, 2026, the version of IC 6-3.6-6-3 amended by  
11      P.L.137-2024, SECTION 9. The general assembly intends for the  
12      version of IC 6-3.6-6-3:  
13      (1) as amended by this act, to expire July 1, 2027; and  
14      (2) as amended by P.L.68-2025, SECTION 124, to take effect  
15      July 1, 2027.  
16      **(b) This SECTION expires December 31, 2027.**  
17      SECTION 69. An emergency is declared for this act.

