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# HOUSE BILL No. 1210

AM121021 has been incorporated into introduced printing.

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**Synopsis:** Department of local government finance.

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Introduced

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.

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## HOUSE BILL No. 1210

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**
- 7 **person 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**
- 10 **advice 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**

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IN 1210—LS 6805/DI 134



**DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY**

1 **obligated 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  
21 person who is committed under a contract or another arrangement  
22 to support the payment of all or part of the obligations on  
23 municipal 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,  
28 the municipal entity shall complete a competitive process at least  
29 once every two (2) years to select the municipal adviser. The  
30 competitive process must include the issuance of a request for  
31 proposals or request for qualifications that allows the municipal  
32 entity to compare qualifications and select the most qualified  
33 municipal adviser based on the scope of services and evaluation  
34 criteria outlined in the request for proposals or request for  
35 qualifications.

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

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

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1 ~~is part of a state educational institution~~, the office of management and  
 2 budget established by IC 4-3-22-3, and the state board of accounts  
 3 established by IC 5-11-1-1 shall post on the Indiana transparency  
 4 website the following:

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

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

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

- 41 (1) IC 6-1.1-39 (economic development districts).



- 1 (2) IC 8-22-3.5 (airport development zones).  
 2 (3) IC 36-7-14 (redevelopment of areas needing redevelopment  
 3 generally).  
 4 (4) IC 36-7-15.1 (redevelopment of areas in Marion County).  
 5 (5) IC 36-7-30 (reuse of federal military bases).  
 6 (6) IC 36-7-30.5 (development of multicounty federal military  
 7 bases).  
 8 (7) IC 36-7-32 (certified technology parks).  
 9 (8) IC 36-7-32.5 (innovation development districts).  
 10 (9) IC 36-7.5-4.5 (rail transit development districts).

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

28 SECTION 5. IC 6-1.1-3-17, AS AMENDED BY P.L.232-2017,  
 29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 17. (a) On or before June  
 31 1 of each year, each township assessor (if any) of a county shall deliver  
 32 to the county assessor a list which states by taxing district the total of  
 33 the personal property assessments as shown on the personal property  
 34 returns filed with the township assessor on or before the filing date of  
 35 that year and in a county with a township assessor under IC 36-6-5-1  
 36 in every township the township assessor shall deliver the lists to the  
 37 county auditor as prescribed in subsection (b).

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

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1 **the personal property in the form prescribed by the department of**  
 2 **local government finance.**

3 (c) **The department of local government finance shall prescribe the**  
 4 **forms required by this section. If a county assessor fails to certify to**  
 5 **the county auditor and the department of local government finance**  
 6 **the assessment value of the personal property in every taxing**  
 7 **district on or before July 1 in accordance with subsection (b), the**  
 8 **county assessor shall, on or before July 1 of the same calendar**  
 9 **year, provide electronic notice to the county auditor, the county**  
 10 **fiscal body, the department of local government finance, and each**  
 11 **political subdivision in the county subject to IC 6-1.1-17-16. The**  
 12 **electronic notice must include a written statement acknowledging**  
 13 **noncompliance and detail the reasons why the statutory deadline**  
 14 **provided in subsection (b) was not met.**

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

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

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

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

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

36 (2) Require that assessing officials:

37 (A) reevaluate the factors that affect value;

38 (B) express the interactions of those factors mathematically;

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

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

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- 1 (3) Prescribe procedures that permit the application of the  
 2 adjustment percentages in an efficient manner by assessing  
 3 officials.
- 4 (d) The department of local government finance must review and  
 5 certify each annual adjustment determined under this section.
- 6 (e) For an assessment beginning after December 31, 2022,  
 7 agricultural improvements such as but not limited to barns, grain bins,  
 8 or silos on land assessed as agricultural shall not be adjusted using  
 9 factors, such as neighborhood delineation, that are appropriate for use  
 10 in adjusting residential, commercial, and industrial real property. Those  
 11 portions of agricultural parcels that include land and buildings not used  
 12 for an agricultural purpose, such as homes, homesites, and excess  
 13 residential land and commercial or industrial land and buildings, shall  
 14 be adjusted by the factor or factors developed for other similar property  
 15 within the geographic stratification. The residential portion of  
 16 agricultural properties shall be adjusted by the factors applied to  
 17 similar residential purposes.
- 18 (f) In making the annual determination of the base rate to satisfy  
 19 the requirement for an annual adjustment for each assessment date, the  
 20 department of local government finance shall, not later than March 1  
 21 of each year, determine the base rate using the methodology reflected  
 22 in Table 2-18 of Book 1, Chapter 2 of the department of local  
 23 government finance's Real Property Assessment Guidelines (as in  
 24 effect on January 1, 2005), except that the department shall adjust the  
 25 methodology as follows:
- 26 (1) Use a six (6) year rolling average adjusted under subdivision  
 27 (3) instead of a four (4) year rolling average.
- 28 (2) Use the data from the six (6) most recent years preceding the  
 29 year in which the assessment date occurs for which data is  
 30 available, before one (1) of those six (6) years is eliminated  
 31 under subdivision (3) when determining the rolling average.
- 32 (3) Eliminate in the calculation of the rolling average the year  
 33 among the six (6) years for which the highest market value in use  
 34 of agricultural land is determined.
- 35 (4) After determining a preliminary base rate that would apply  
 36 for the assessment date without applying the adjustment under  
 37 this subdivision, the department of local government finance  
 38 shall adjust the preliminary base rate as follows:
- 39 (A) If the preliminary base rate for the assessment date  
 40 would be at least ten percent (10%) greater than the final  
 41 base rate determined for the preceding assessment date, a

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

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1 assessor and each county assessor shall keep the assessor's  
 2 reassessment data and records current by securing the necessary field  
 3 data and by making changes in the assessed value of real property as  
 4 changes occur in the use of the real property. The township or county  
 5 assessor's records shall at all times show the assessed value of real  
 6 property in accordance with this chapter. The township assessor shall  
 7 ensure that the county assessor has full access to the assessment  
 8 records maintained by the township assessor.

9 (b) The county assessor shall:

10 (1) maintain an electronic data file of:

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

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

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

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

19 (A) the legislative services agency; and

20 (B) the department of local government finance;

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

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

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

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

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

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

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

39 (1) Transmit the data in a manner that meets the data export and  
 40 transmission requirements in a standard format, as prescribed by  
 41 the office of technology established by IC 4-13.1-2-1 and

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1 approved by the legislative services agency.

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

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

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

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

21 and

22 (2) May 1 in each calendar year ending after December 31,  
23 2016;

24 each township assessor in the county (if any) shall prepare and deliver  
25 to the county assessor a detailed list of the real property listed for  
26 taxation in the township.

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

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

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

7 SECTION 9. IC 6-1.1-7-10.4, AS AMENDED BY P.L.118-2022,  
8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2026]: Sec. 10.4. (a) This section does not apply to a mobile  
10 home that is offered for sale at auction under IC 9-22-1.5 or  
11 IC 9-22-1.7 for the transfer resulting from the auction.

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

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

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

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

28 (c) The publisher of the Indiana Administrative Code shall publish  
29 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative  
30 Code.

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

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

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

- 38 (1) 50 IAC 5.1-6-6.
- 39 (2) 50 IAC 5.1-6-7.
- 40 (3) 50 IAC 5.1-6-8.
- 41 (4) 50 IAC 5.1-6-9.
- 42 (5) 50 IAC 5.1-8-1.

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

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

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

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

8 SECTION 11. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025,  
9 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 45. (a) ~~This subsection~~  
11 ~~applies only to a taxpayer's assessable depreciable personal property~~  
12 ~~that is placed in service on or before January 1, 2025. Except as~~  
13 ~~provided in subsections (b) and (c); For each assessment date, the total~~  
14 ~~valuation of a taxpayer's assessable depreciable personal property in a~~  
15 ~~single taxing district may not be less than thirty percent (30%) of the~~  
16 ~~adjusted cost of all the taxpayer's assessable depreciable property in the~~  
17 ~~taxing district.~~

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

22 (c) ~~Depreciable personal property that is placed in service after~~  
23 ~~January 1, 2025, is not subject to the minimum valuation limitation~~  
24 ~~under this section. However, if depreciable personal property is placed~~  
25 ~~in service after January 1, 2025, and is located in an existing tax~~  
26 ~~increment allocation area for which the base assessed value is~~  
27 ~~determined before January 1, 2025, the depreciable personal property~~  
28 ~~remains subject to the minimum valuation limitations under this~~  
29 ~~section.~~

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

33 **Chapter 10.2. Exemptions for Indiana Nonprofit Senior Living**  
34 **Communities**

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

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

- 41 (1) **registered as a continuing care retirement community**  
42 **under IC 23-2-4;**

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- 1           (2) defined as a small house health facility under
- 2           IC 16-18-2-331.9; or
- 3           (3) licensed as a health care or residential care facility under
- 4           IC 16-28.

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

- 7           (1) registered as a continuing care retirement community
- 8           under IC 23-2-4;
- 9           (2) defined as a small house health facility under
- 10          IC 16-18-2-331.9; or
- 11          (3) licensed as a health care or residential care facility under
- 12          IC 16-28.

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

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

- 29           (1) a pension certificate, an award of compensation, or a
- 30           disability compensation check issued by the United States
- 31           Department of Veterans Affairs if the individual claims the
- 32           deduction provided by section 13 of this chapter;
- 33           (2) a pension certificate or an award of compensation issued by
- 34           the United States Department of Veterans Affairs if the
- 35           individual claims the deduction provided by section 14 of this
- 36           chapter; or
- 37           (3) the appropriate certificate of eligibility issued to the
- 38           individual by the Indiana department of veterans' affairs if the
- 39           individual claims the deduction provided by section 13 or 14 of
- 40           this chapter.

41           (c) If the individual claiming the deduction is under guardianship,  
 42           the guardian shall file the statement required by this section. If a

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1 deceased veteran's surviving spouse is claiming the deduction, the  
2 surviving spouse shall provide the documentation necessary to  
3 establish that at the time of death the deceased veteran satisfied the  
4 requirements of section 13(a)(1) through 13(a)(4) of this chapter,  
5 section 14(a)(1) through 14(a)(4) of this chapter, or section 14(b)(2) of  
6 this chapter, whichever applies.

7 (d) If the individual claiming a deduction under section 13 or 14  
8 of this chapter is buying real property, a mobile home not assessed as  
9 real property, or a manufactured home not assessed as real property  
10 under a contract that provides that the individual is to pay property  
11 taxes for the real estate, mobile home, or manufactured home, the  
12 statement required by this section must contain the record number and  
13 page where the contract or memorandum of the contract is recorded.

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

- 19 (1) "Dwelling" means any of the following:
  - 20 (A) Residential real property improvements that an
  - 21 individual uses as the individual's residence, limited to a
  - 22 single house and a single garage, regardless of whether the
  - 23 single garage is attached to the single house or detached
  - 24 from the single house.
  - 25 (B) A mobile home that is not assessed as real property that
  - 26 an individual uses as the individual's residence.
  - 27 (C) A manufactured home that is not assessed as real
  - 28 property that an individual uses as the individual's
  - 29 residence.
- 30 (2) "Homestead" means an individual's principal place of  
31 residence:
  - 32 (A) that is located in Indiana;
  - 33 (B) that:
    - 34 (i) the individual owns;
    - 35 (ii) the individual is buying under a contract recorded
    - 36 in the county recorder's office, or evidenced by a
    - 37 memorandum of contract recorded in the county
    - 38 recorder's office under IC 36-2-11-20, that provides
    - 39 that the individual is to pay the property taxes on the
    - 40 residence, and that obligates the owner to convey title
    - 41 to the individual upon completion of all of the

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- 1 individual's contract obligations;
- 2 (iii) the individual is entitled to occupy as a
- 3 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 4 cooperative housing corporation (as defined in 26
- 5 U.S.C. 216); or
- 6 (iv) is a residence described in section 17.9 of this
- 7 chapter ~~(before its expiration)~~ that is owned by a trust
- 8 if the individual is an individual described in section
- 9 17.9 of this chapter; ~~(before its expiration)~~; and
- 10 (C) that consists of a dwelling and includes up to one (1)
- 11 acre of land immediately surrounding that dwelling, and any
- 12 of the following improvements:
  - 13 (i) Any number of decks, patios, gazebos, or pools.
  - 14 (ii) One (1) additional building that is not part of the
  - 15 dwelling if the building is predominantly used for a
  - 16 residential purpose and is not used as an investment
  - 17 property or as a rental property.
  - 18 (iii) One (1) additional residential yard structure other
  - 19 than a deck, patio, gazebo, or pool.
- 20 Except as provided in subsection (r), the term does not include
- 21 property owned by a corporation, partnership, limited liability
- 22 company, or other entity not described in this subdivision.
- 23 **(3) "Principal place of residence" means an individual's true,**
- 24 **fixed, permanent home to which the individual has the**
- 25 **intention of returning after an absence.**
- 26 (b) Each year a homestead is eligible for a standard deduction
- 27 from the assessed value of the homestead for an assessment date.
- 28 Except as provided in subsection (n), the deduction provided by this
- 29 section applies to property taxes first due and payable for an
- 30 assessment date only if an individual has an interest in the homestead
- 31 described in subsection (a)(2)(B) on:
  - 32 (1) the assessment date; or
  - 33 (2) any date in the same year after an assessment date that a
  - 34 statement is filed under subsection (e) or section 44 of this
  - 35 chapter, if the property consists of real property.
- 36 If more than one (1) individual or entity qualifies property as a
- 37 homestead under subsection (a)(2)(B) for an assessment date, only one
- 38 (1) standard deduction from the assessed value of the homestead may
- 39 be applied for the assessment date. Subject to subsection (c), the
- 40 auditor of the county shall record and make the deduction for the
- 41 individual or entity qualifying for the deduction.
- 42 (c) Except as provided in section 40.5 of this chapter, the total

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1 amount of the deduction that a person may receive under this section  
2 for a particular year is:

- 3 (1) for assessment dates before January 1, 2025, the lesser of:  
4 (A) sixty percent (60%) of the assessed value of the real  
5 property, mobile home not assessed as real property, or  
6 manufactured home not assessed as real property; or  
7 (B) forty-eight thousand dollars (\$48,000); or  
8 (2) for assessment dates after December 31, 2024:  
9 (A) in 2025, forty-eight thousand dollars (\$48,000);  
10 (B) in 2026, forty thousand dollars (\$40,000);  
11 (C) in 2027, thirty thousand dollars (\$30,000);  
12 (D) in 2028, twenty thousand dollars (\$20,000); and  
13 (E) in 2029, ten thousand dollars (\$10,000).

14 Beginning with the 2030 assessment date, and each assessment date  
15 thereafter, the deduction amount under this section is zero (0).  
16 Application of the phase down under this section for assessment dates  
17 after December 31, 2024, with regard to mobile homes that are not  
18 assessed as real property and manufactured homes not assessed as real  
19 property shall be construed and applied in the same manner in terms of  
20 timing and consistent with its application for real property.

21 (d) A person who has sold real property, a mobile home not  
22 assessed as real property, or a manufactured home not assessed as real  
23 property to another person under a contract that provides that the  
24 contract buyer is to pay the property taxes on the real property, mobile  
25 home, or manufactured home may not claim the deduction provided  
26 under this section with respect to that real property, mobile home, or  
27 manufactured home.

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

- 34 (1) the parcel number or key number of the property and the  
35 name of the city, town, or township in which the property is  
36 located;  
37 (2) the name of any other location in which the applicant or the  
38 applicant's spouse owns, is buying, or has a beneficial interest in  
39 residential real property;  
40 (3) the names of:  
41 (A) the applicant and the applicant's spouse (if any):

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1 (i) as the names appear in the records of the United  
2 States Social Security Administration for the purposes  
3 of the issuance of a Social Security card and Social  
4 Security number; or  
5 (ii) that they use as their legal names when they sign  
6 their names on legal documents;  
7 if the applicant is an individual; or  
8 (B) each individual who qualifies property as a homestead  
9 under subsection (a)(2)(B) and the individual's spouse (if  
10 any):  
11 (i) as the names appear in the records of the United  
12 States Social Security Administration for the purposes  
13 of the issuance of a Social Security card and Social  
14 Security number; or  
15 (ii) that they use as their legal names when they sign  
16 their names on legal documents;  
17 if the applicant is not an individual; and  
18 (4) either:  
19 (A) the last five (5) digits of the applicant's Social Security  
20 number and the last five (5) digits of the Social Security  
21 number of the applicant's spouse (if any); or  
22 (B) if the applicant or the applicant's spouse (if any) does  
23 not have a Social Security number, any of the following for  
24 that individual:  
25 (i) The last five (5) digits of the individual's driver's  
26 license number.  
27 (ii) The last five (5) digits of the individual's state  
28 identification card number.  
29 (iii) The last five (5) digits of a preparer tax  
30 identification number that is obtained by the individual  
31 through the Internal Revenue Service of the United  
32 States.  
33 (iv) If the individual does not have a driver's license, a  
34 state identification card, or an Internal Revenue  
35 Service preparer tax identification number, the last five  
36 (5) digits of a control number that is on a document  
37 issued to the individual by the United States  
38 government.  
39 If a form or statement provided to the county auditor under this section,  
40 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or  
41 part or all of the Social Security number of a party or other number

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1 described in subdivision (4)(B) of a party, the telephone number and  
 2 the Social Security number or other number described in subdivision  
 3 (4)(B) included are confidential. The statement may be filed in person  
 4 or by mail. If the statement is mailed, the mailing must be postmarked  
 5 on or before the last day for filing. The statement applies for that first  
 6 year and any succeeding year for which the deduction is allowed.

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

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

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

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

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

22 (2) is not eligible for a deduction under this section because the  
 23 person is already receiving:

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

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

28 the person must file a certified statement with the auditor of the county,  
 29 notifying the auditor of the person's ineligibility, not more than sixty  
 30 (60) days after the date of the change in eligibility. A person who fails  
 31 to file the statement required by this subsection may, under  
 32 IC 6-1.1-36-17, be liable for any additional taxes that would have been  
 33 due on the property if the person had filed the statement as required by  
 34 this subsection plus a civil penalty equal to ten percent (10%) of the  
 35 additional taxes due. The civil penalty imposed under this subsection  
 36 is in addition to any interest and penalties for a delinquent payment that  
 37 might otherwise be due. One percent (1%) of the total civil penalty  
 38 collected under this subsection shall be transferred by the county to the  
 39 department of local government finance for use by the department in  
 40 establishing and maintaining the homestead property data base under  
 41 subsection (j) and, to the extent there is money remaining, for any other

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1 purposes of the department. This amount becomes part of the property  
 2 tax liability for purposes of this article.  
 3 (h) The department of local government finance may adopt rules  
 4 or guidelines concerning the application for a deduction under this  
 5 section.  
 6 (i) This subsection does not apply to property in the first year for  
 7 which a deduction is claimed under this section if the sole reason that  
 8 a deduction is claimed on other property is that the individual or  
 9 married couple maintained a principal residence at the other property  
 10 on the assessment date in the same year in which an application for a  
 11 deduction is filed under this section or, if the application is for a  
 12 homestead that is assessed as personal property, on the assessment date  
 13 in the immediately preceding year and the individual or married couple  
 14 is moving the individual's or married couple's principal residence to the  
 15 property that is the subject of the application. Except as provided in  
 16 subsection (l), the county auditor may not grant an individual or a  
 17 married couple a deduction under this section if:  
 18 (1) the individual or married couple, for the same year, claims  
 19 the deduction on two (2) or more different applications for the  
 20 deduction; and  
 21 (2) the applications claim the deduction for different property.  
 22 (j) The department of local government finance shall provide  
 23 secure access to county auditors to a homestead property data base that  
 24 includes access to the homestead owner's name and the numbers  
 25 required from the homestead owner under subsection (e)(4) for the sole  
 26 purpose of verifying whether an owner is wrongly claiming a deduction  
 27 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or  
 28 IC 6-3.6-5 (before its expiration). Each county auditor shall submit data  
 29 on deductions applicable to the current tax year on or before March 15  
 30 of each year in a manner prescribed by the department of local  
 31 government finance.  
 32 (k) A county auditor may require an individual to provide evidence  
 33 proving that the individual's residence is the individual's principal place  
 34 of residence as claimed in the certified statement filed under subsection  
 35 (e). The county auditor may limit the evidence that an individual is  
 36 required to submit to a state income tax return, a valid driver's license,  
 37 or a valid voter registration card showing that the residence for which  
 38 the deduction is claimed is the individual's principal place of residence.  
 39 The county auditor may not deny an application filed under section 44  
 40 of this chapter because the applicant does not have a valid driver's  
 41 license or state identification card with the address of the homestead

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1 property. The department of local government finance shall work with  
 2 county auditors to develop procedures to determine whether a property  
 3 owner that is claiming a standard deduction or homestead credit is not  
 4 eligible for the standard deduction or homestead credit because the  
 5 property owner's principal place of residence is outside Indiana.

6 (1) A county auditor shall grant an individual a deduction under  
 7 this section regardless of whether the individual and the individual's  
 8 spouse claim a deduction on two (2) different applications and each  
 9 application claims a deduction for different property if the property  
 10 owned by the individual's spouse is located outside Indiana and the  
 11 individual files an affidavit with the county auditor containing the  
 12 following information:

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

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

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

20 (B) That neither the individual nor the individual's spouse  
 21 has an ownership interest in the other's principal place of  
 22 residence.

23 (C) That neither the individual nor the individual's spouse  
 24 has, for that same year, claimed a standard or substantially  
 25 similar deduction for any property other than the property  
 26 maintained as a principal place of residence by the  
 27 respective individuals.

28 A county auditor may require an individual or an individual's spouse to  
 29 provide evidence of the accuracy of the information contained in an  
 30 affidavit submitted under this subsection. The evidence required of the  
 31 individual or the individual's spouse may include state income tax  
 32 returns, excise tax payment information, property tax payment  
 33 information, driver's license information, and voter registration  
 34 information.

35 (m) If:

36 (1) a property owner files a statement under subsection (e) to  
 37 claim the deduction provided by this section for a particular  
 38 property; and

39 (2) the county auditor receiving the filed statement determines  
 40 that the property owner's property is not eligible for the  
 41 deduction;

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1 the county auditor shall inform the property owner of the county  
 2 auditor's determination in writing. If a property owner's property is not  
 3 eligible for the deduction because the county auditor has determined  
 4 that the property is not the property owner's principal place of  
 5 residence, the property owner may appeal the county auditor's  
 6 determination as provided in IC 6-1.1-15. The county auditor shall  
 7 inform the property owner of the owner's right to appeal when the  
 8 county auditor informs the property owner of the county auditor's  
 9 determination under this subsection.

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

12 (1) either:

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

17 (B) the individual contracts to purchase the homestead after  
 18 the assessment date, but within the calendar year in which  
 19 the assessment date occurs;

20 (2) on the assessment date:

21 (A) the property on which the homestead is currently  
 22 located was vacant land; or

23 (B) the construction of the dwelling that constitutes the  
 24 homestead was not completed; and

25 (3) either:

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

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

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

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1 this chapter and IC 6-1.1-20.6.

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

11 (p) This subsection:

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

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

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

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

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

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

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

29 For property to qualify under this subsection for the deduction provided  
30 by this section, the individual described in subdivisions (1) through (3)  
31 must submit to the county auditor a copy of the individual's transfer  
32 orders or other information sufficient to show that the individual was  
33 ordered to transfer to a location outside Indiana. The property continues  
34 to qualify for the deduction provided by this section until the individual  
35 ceases to be on active duty, the property is sold, or the individual's  
36 ownership interest is otherwise terminated, whichever occurs first.  
37 Notwithstanding subsection (a)(2), the property remains a homestead  
38 regardless of whether the property continues to be the individual's  
39 principal place of residence after the individual transfers to a location  
40 outside Indiana. The property continues to qualify as a homestead  
41 under this subsection if the property is leased while the individual is

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1 away from Indiana and is serving on active duty, if the individual has  
 2 lived at the property at any time during the past ten (10) years.  
 3 Otherwise, the property ceases to qualify as a homestead under this  
 4 subsection if the property is leased while the individual is away from  
 5 Indiana. Property that qualifies as a homestead under this subsection  
 6 shall also be construed as a homestead for purposes of section 37.5 of  
 7 this chapter.

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

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

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

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

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

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

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

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

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

28 SECTION 15. IC 6-1.1-12.6-2, AS ADDED BY P.L.70-2008,  
 29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 2. (a) This section  
 31 applies only to a model residence that is first assessed as:

32 (1) a partially completed structure; or

33 (2) a fully completed structure;

34 for the assessment date in 2009 or a later year.

35 (b) Except as provided in subsection (c) and sections 4, 5, and 6  
 36 of this chapter, and subject to sections 7 and 8 of this chapter, an owner  
 37 of a model residence is entitled to a deduction from the assessed value  
 38 of the model residence in the amount of ~~fifty~~ **seventy-five** percent  
 39 (~~50%~~) (**75%**) of the assessed value of the model residence for the  
 40 following:

41 (1) Not more than one (1) assessment date for which the model

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- 1 residence is assessed as a partially completed structure.
- 2 (2) The assessment date for which the model residence is first
- 3 assessed as a fully completed structure.
- 4 (3) The two (2) assessment dates that immediately succeed the
- 5 assessment date referred to in subdivision (2).
- 6 (c) A deduction allowed for a model residence under this chapter
- 7 for a particular assessment date is terminated if the model residence is
- 8 sold:
  - 9 (1) after the assessment date of that year but before January 1 of
  - 10 the following year; and
  - 11 (2) to a person who does not continue to use the real property as
  - 12 a model residence.

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

17 SECTION 16. IC 6-1.1-12.6-4, AS ADDED BY P.L.70-2008,  
 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) Subject to section  
 20 8 of this chapter, a property owner is entitled to a deduction under this  
 21 chapter for an assessment date for not more than ~~three (3)~~ **seven (7)**  
 22 model residences in Indiana.

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

29 (c) The county auditor of the second county shall note on the copy  
 30 of the statement whether the property owner has claimed a deduction  
 31 for the current year under section 3 of this chapter for a model  
 32 residence located in the second county. The county auditor shall then  
 33 return the copy of the statement to the auditor of the first county.

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

40 SECTION 18. IC 6-1.1-12.8-3, AS ADDED BY P.L.175-2011,  
 41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) This chapter  
 2 applies only to a residence in inventory that is first assessed as:  
 3 (1) a partially completed structure; or  
 4 (2) a fully completed structure;  
 5 for the assessment date in 2012 or a later year.  
 6 (b) Except as provided in subsections (c) and (d) and sections 5  
 7 and 6 of this chapter, and subject to section 7 of this chapter, a  
 8 residential builder that is the owner of a residence in inventory is  
 9 entitled to a deduction from the assessed value of the residence in  
 10 inventory in the amount of ~~fifty~~ **seventy-five** percent (~~50%~~) (**75%**) of  
 11 the assessed value of the residence in inventory for the following:  
 12 (1) Not more than one (1) assessment date for which the  
 13 residence in inventory is assessed as a partially completed  
 14 structure.  
 15 (2) The assessment date for which the residence in inventory is  
 16 first assessed as a fully completed structure.  
 17 (3) The two (2) assessment dates that immediately succeed the  
 18 assessment date referred to in subdivision (2).  
 19 (c) A deduction allowed for a residence in inventory under this  
 20 chapter for a particular assessment date is terminated if title to the  
 21 residence in inventory is transferred:  
 22 (1) after the assessment date of that year but before January 1 of  
 23 the following year; and  
 24 (2) to a person for whom the real property does not qualify as a  
 25 residence in inventory.  
 26 The county auditor shall immediately mail notice of the termination to  
 27 the former owner, the property owner, and the township assessor (or the  
 28 county assessor if there is no township assessor for the township). The  
 29 county auditor shall remove the deduction from the tax duplicate and  
 30 shall notify the county treasurer of the termination of the deduction.  
 31 (d) A deduction for a residence in inventory under this chapter  
 32 does not apply for a particular assessment date if the residence in  
 33 inventory is leased for any purpose for any part of the calendar year in  
 34 which the assessment date occurs.  
 35 SECTION 19. IC 6-1.1-12.8-4, AS AMENDED BY P.L.136-2024,  
 36 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) A property owner  
 38 that qualifies for the deduction under this chapter and that desires to  
 39 receive the deduction for a calendar year must complete and date a  
 40 statement containing the information required by subsection (b) and  
 41 file the statement with the county auditor on or before January 15 of the

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1 immediately succeeding calendar year. The township assessor, or the  
2 county assessor if there is no township assessor for the township, shall  
3 verify each statement filed under this section, and the county auditor  
4 shall:

- 5 (1) make the deductions; and
- 6 (2) notify the county property tax assessment board of appeals of  
7 all deductions approved;

8 under this section.

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

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

31 SECTION 20. IC 6-1.1-12.8-9, AS ADDED BY P.L.175-2011,  
32 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Subject to section  
34 10 of this chapter, a property owner is entitled to a deduction under this  
35 chapter for an assessment date for not more than ~~three (3)~~ **seven (7)**  
36 residences in inventory in Indiana.

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

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1 buying a residence in inventory located in the second county.

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

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

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

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

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

32 (1) September 1;

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

35 (3) fifteen (15) days after the department of local government  
36 finance notifies the county auditor of an error in the original  
37 certified statement submitted under subsection (a) that the  
38 department determines must be corrected.

39 (d) Before the county auditor makes an amendment under  
40 subsection (c), the county auditor must provide an opportunity for  
41 public comment on the proposed amendment at a public hearing. The

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1 county auditor must give notice of the hearing under IC 5-3-1. If the  
 2 county auditor makes the amendment as a result of information  
 3 provided to the county auditor by an assessor, the county auditor shall  
 4 give notice of the public hearing to the assessor.

5 (e) Beginning in 2018, each county auditor shall submit to the  
 6 department of local government finance parcel level data of certified  
 7 net assessed values as required by the department. A county auditor  
 8 shall submit the parcel level data in the manner and format required by  
 9 the department and according to a schedule determined by the  
 10 department.

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

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

15 (2) there is no final disposition of the appeal as of the date the  
 16 county auditor submits the certified statement under subsection  
 17 (a).

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

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

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

37 SECTION 23. IC 6-1.1-18-28, AS AMENDED BY P.L.236-2023,  
 38 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2026]: Sec. 28. (a) The executive of a township may, upon  
 40 approval by the township fiscal body, submit a petition to the  
 41 department of local government finance for an increase in the  
 42 township's maximum permissible ad valorem property tax levy for its



1 township firefighting and emergency services fund under  
2 IC 36-8-13-4(a)(1) or the levies for the township firefighting fund and  
3 township emergency services fund described in IC 36-8-13-4(a)(2), as  
4 applicable, for property taxes for any year for which a petition is  
5 submitted under this section **if the population of the service area in  
6 which the township provides fire protection or emergency services  
7 is at least ten thousand (10,000) according to the most recently  
8 available population data issued by the Bureau of the Census.**

9 (b) **Subject to subsection (c)**, if the township submits a petition  
10 as provided in subsection (a) before ~~April~~ **August** 1 of a year, the  
11 department of local government finance shall increase the township's  
12 maximum permissible ad valorem property tax levy for the township  
13 firefighting and emergency services fund under IC 36-8-13-4(a)(1) or  
14 the combined levies for the township firefighting fund and township  
15 emergency services fund described in IC 36-8-13-4(a)(2), as  
16 applicable, for property taxes first due and payable in the immediately  
17 succeeding year by using the following formula for purposes of  
18 subsection ~~(e)(2)~~: **(c)**:

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

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

- 30 (A) the STEP ONE percentage; minus
- 31 (B) six percent (6%);

32 expressed as a decimal.

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

- 34 (A) ~~fifteen-hundredths (0.15)~~; **one-tenth (0.1)**; or
- 35 (B) the STEP TWO result.

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

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1 township under this section:  
2 (c) The township's maximum permissible ad valorem property tax  
3 levy for its township firefighting and emergency services fund under  
4 IC 36-8-13-4(a)(1) or the combined levies for the township firefighting  
5 fund and township emergency services fund described in  
6 IC 36-8-13-4(a)(2) for property taxes first due and payable in a given  
7 year, as adjusted under this section, shall be calculated as **the lesser of:**

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

15 ~~(2)~~ (B) an amount equal to the result of:  
16 ~~(A)~~ (i) the rate determined under the formula in  
17 subsection (b); multiplied by  
18 ~~(B)~~ (ii) the net assessed value of the fire protection and  
19 emergency services area divided by one hundred (100);  
20 or

21 (2) **the amount that would result in a property tax rate of**  
22 **forty cents (\$0.40) per one hundred dollars (\$100) of assessed**  
23 **valuation for property taxes first due and payable in a given**  
24 **year.**

25 ~~(d) The calculation under this~~ **An increase in a township's**  
26 **maximum permissible ad valorem property tax levy for the**  
27 **township firefighting and emergency services fund under**  
28 **IC 36-8-13-4(a)(1) or the combined levies for the township**  
29 **firefighting fund and township emergency services fund described**  
30 **in IC 36-8-13-4(a)(2), as applicable, as determined under** subsection  
31 (c) shall be used in the determination of the township's maximum  
32 permissible ad valorem property tax levy under IC 36-8-13-4 for  
33 property taxes first due and payable in the first year of the increase and  
34 thereafter.

35 SECTION 24. IC 6-1.1-18-29, AS ADDED BY P.L.154-2020,  
36 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 JULY 1, 2026]: Sec. 29. (a) The board of trustees of a fire protection  
38 district may, upon approval by the county legislative body, submit a  
39 petition to the department of local government finance for an increase  
40 in the fire protection district's maximum permissible ad valorem  
41 property tax levy for property taxes first due and payable ~~in 2021~~ or for

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1 ~~any year thereafter~~ for **any year for** which a petition is submitted under  
 2 this section **if the population of the fire protection district's service**  
 3 **area is at least ten thousand (10,000) according to the most recently**  
 4 **available population data issued by the Bureau of the Census.**

5 (b) **Subject to subsection (c)**, if a petition is submitted as  
 6 provided in subsection (a) ~~before August 1, 2020; or April August 1~~ of  
 7 a year, ~~thereafter~~, the department of local government finance shall  
 8 increase the fire protection district's maximum permissible ad valorem  
 9 property tax levy for property taxes first due and payable in the  
 10 immediately succeeding year by using the following formula for  
 11 purposes of subsection ~~(e)(2)~~: **(c)**:

12 STEP ONE: Determine the percentage increase in the  
 13 population, as determined by the county legislative body and as  
 14 may be prescribed by the department of local government  
 15 finance, that is within the fire protection district area during the  
 16 ten (10) year period immediately preceding the year in which the  
 17 petition is submitted under subsection (a). The county legislative  
 18 body may use the most recently available population data issued  
 19 by the Bureau of the Census during the ten (10) year period  
 20 immediately preceding the petition.

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

- 22 (A) the STEP ONE percentage; minus  
 23 (B) six percent (6%);

24 expressed as a decimal.

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

- 26 (A) ~~fifteen-hundredths (0.15)~~; **one-tenth (0.1)**; or  
 27 (B) the STEP TWO result.

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

33 (c) The fire protection district's maximum permissible ad valorem  
 34 property tax levy for property taxes first due and payable in a given  
 35 year, as adjusted under this section, shall be calculated as **the lesser of:**

36 (1) **the sum of:**

- 37 (A) the amount of the ad valorem property tax levy increase  
 38 for the fire protection district without regard to this section;  
 39 plus

40 ~~(2)~~ (B) an amount equal to the result of:

- 41 ~~(A)~~ (i) the rate determined under the formula in

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1 subsection (b); multiplied by  
 2 ~~(B)~~ **(ii)** the net assessed value of the fire protection  
 3 district area divided by one hundred (100); **or**  
 4 **(2) the amount that would result in a property tax rate of**  
 5 **forty cents (\$0.40) per one hundred dollars (\$100) of assessed**  
 6 **valuation for property taxes first due and payable in a given**  
 7 **year.**

8 ~~(d)~~ **The calculation under this An increase in a fire protection**  
 9 **district's maximum permissible ad valorem property tax levy**  
 10 **provided as determined under subsection (c)** shall be used in the  
 11 determination of the fire protection district's maximum permissible ad  
 12 valorem property tax levy for property taxes first due and payable in the  
 13 first year of the increase and thereafter.

14 SECTION 25. IC 6-1.1-18-29.5, AS ADDED BY P.L.95-2022,  
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2026]: Sec. 29.5. (a) The executive of a unit serving as the  
 17 provider unit of a fire protection territory may, upon approval by the  
 18 provider unit's fiscal body, submit a petition to the department of local  
 19 government finance for an increase in the fire protection territory's  
 20 maximum permissible ad valorem property tax levy for its fire  
 21 protection territory fund under IC 36-8-19-8 for property taxes first due  
 22 and payable in 2023 or for any year thereafter for any year for which  
 23 a petition is submitted under this section **if the population of the fire**  
 24 **protection territory's service area is at least ten thousand (10,000)**  
 25 **according to the most recently available population data issued by**  
 26 **the Bureau of the Census.**

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

35 STEP ONE: Determine the percentage increase in the  
 36 population, as determined by the provider unit's fiscal body and  
 37 as may be prescribed by the department of local government  
 38 finance, that is within the fire protection territory area during the  
 39 ten (10) year period immediately preceding the year in which the  
 40 petition is submitted under subsection (a). The provider unit's  
 41 fiscal body may use the most recently available population data

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- 1 issued by the Bureau of the Census during the ten (10) year  
 2 period immediately preceding the petition.  
 3 STEP TWO: Determine the greater of zero (0) or the result of:  
 4 (A) the STEP ONE percentage; minus  
 5 (B) six percent (6%);  
 6 expressed as a decimal.  
 7 STEP THREE: Determine a rate that is the lesser of:  
 8 (A) ~~fifteen-hundredths (0.15)~~; **one-tenth (0.1)**; or  
 9 (B) the STEP TWO result.  
 10 ~~STEP FOUR: Reduce the STEP THREE rate by any rate~~  
 11 ~~increase in the fire protection territory's property tax rate for its~~  
 12 ~~fire protection territory fund within the immediately preceding~~  
 13 ~~ten (10) year period that was made based on a petition submitted~~  
 14 ~~by the fire protection territory under this section.~~  
 15 (c) The fire protection territory's maximum permissible ad valorem  
 16 property tax levy for its fire protection territory fund under  
 17 IC 36-8-19-8 for property taxes first due and payable in a given year,  
 18 as adjusted under this section, shall be calculated as **the lesser of:**  
 19 (1) **the sum of:**  
 20 (A) the amount of the ad valorem property tax levy increase  
 21 for the fire protection territory fund without regard to this  
 22 section; plus  
 23 ~~(B)~~ (B) an amount equal to the result of:  
 24 ~~(A)~~ (i) the rate determined under the formula in  
 25 subsection (b); multiplied by  
 26 ~~(B)~~ (ii) the net assessed value of the fire protection  
 27 territory area divided by one hundred (100); or  
 28 (2) **the amount that would result in a property tax rate of**  
 29 **forty cents (\$0.40) per one hundred dollars (\$100) of assessed**  
 30 **valuation for property taxes first due and payable in a given**  
 31 **year.**  
 32 (d) ~~The calculation under this~~ **An increase in a fire protection**  
 33 **territory's maximum permissible ad valorem property tax levy**  
 34 **provided as determined under** subsection (c) shall be used in the  
 35 determination of the fire protection territory's maximum permissible ad  
 36 valorem property tax levy under IC 36-8-19-8 for property taxes first  
 37 due and payable in the first year of the increase and thereafter.  
 38 SECTION 26. IC 6-1.1-18.5-7, AS AMENDED BY P.L. 159-2020,  
 39 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2026]: Sec. 7. (a) A civil taxing unit is not subject to the levy  
 41 limits imposed by section 3 of this chapter for an ensuing calendar year

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1 if the civil taxing unit did not ~~adopt an ad valorem property tax levy for~~  
 2 ~~the immediately preceding calendar year. exist as of January 1 in the~~  
 3 **calendar year that immediately precedes the ensuing calendar**  
 4 **year.**

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

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

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

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1 (b) Before July 15 of each year, the department of local  
 2 government finance shall provide to each county, city, and town an  
 3 estimate of the maximum permissible property tax rate per one hundred  
 4 dollars (\$100) of assessed valuation that the county, city, or town may  
 5 impose for the ensuing year under IC 36-9-14.5 (in the case of a  
 6 county) or IC 36-9-15.5 (in the case of a city or town).

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

11 (1) this chapter, other than section 7.7 or 8.5 of this chapter,  
 12 liability for the tax imposed on property under this article  
 13 determined after application of all credits and deductions under  
 14 this article or IC 6-3.6, except the credit granted by section 7 or  
 15 7.5 of this chapter, but does not include any interest or penalty  
 16 imposed under this article;

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

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

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

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

40 (c) A political subdivision may not borrow money to compensate  
 41 the political subdivision or any other political subdivision for the

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1 reduction of property tax collections referred to in subsection (b).  
 2 SECTION 30. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.9-2024,  
 3 SECTION 171, IS AMENDED TO READ AS FOLLOWS  
 4 [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) This section applies to  
 5 property taxes first due and payable after December 31, 2009.  
 6 (b) The following definitions apply throughout this section:  
 7 (1) "Debt service obligations of a political subdivision" refers to:  
 8 (A) the principal and interest payable during a calendar year  
 9 on bonds; and  
 10 (B) lease rental payments payable during a calendar year on  
 11 leases;  
 12 of a political subdivision payable from ad valorem property  
 13 taxes.  
 14 (2) "Protected taxes" refers to the following:  
 15 (A) Property taxes that are exempted from the application  
 16 of a credit granted under section 7 or 7.5 of this chapter by  
 17 section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another  
 18 law.  
 19 (B) Property taxes imposed by a political subdivision to pay  
 20 for debt service obligations of a political subdivision that  
 21 are not exempted from the application of a credit granted  
 22 under section 7 or 7.5 of this chapter by section 7(b), 7(c),  
 23 7.5(b), or 7.5(c) of this chapter or any other law. Property  
 24 taxes described in this clause are subject to the credit  
 25 granted under section 7 or 7.5 of this chapter by section  
 26 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter regardless of their  
 27 designation as protected taxes.  
 28 (3) "Unprotected taxes" refers to property taxes that are not  
 29 protected taxes.  
 30 (c) Except as provided in section 9.9 of this chapter, the total  
 31 amount of revenue to be distributed to the fund for which the protected  
 32 taxes were imposed shall be determined as if no credit were granted  
 33 under section 7, ~~or 7.5, or 7.7~~ of this chapter **or under IC 6-1.1-49**.  
 34 The total amount of the loss in revenue resulting from the granting of  
 35 credits under section 7, ~~or 7.5, or 7.7~~ of this chapter **or under**  
 36 **IC 6-1.1-49** must reduce only the amount of unprotected taxes  
 37 distributed to a fund using the following criteria:  
 38 (1) The reduction may be allocated in the amounts determined  
 39 by the political subdivision using a combination of unprotected  
 40 taxes of the political subdivision in those taxing districts in  
 41 which the credit caused a reduction in protected taxes.

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1 (2) The tax revenue and each fund of any other political  
 2 subdivisions must not be affected by the reduction.  
 3 (d) When:  
 4 (1) the revenue that otherwise would be distributed to a fund  
 5 receiving only unprotected taxes is reduced entirely under  
 6 subsection (c) and the remaining revenue is insufficient for a  
 7 fund receiving protected taxes to receive the revenue specified  
 8 by subsection (c); or  
 9 (2) there is not a fund receiving only unprotected taxes from  
 10 which to distribute revenue;  
 11 the revenue distributed to the fund receiving protected taxes must also  
 12 be reduced. If the revenue distributed to a fund receiving protected  
 13 taxes is reduced, the political subdivision may transfer money from one  
 14 (1) or more of the other funds of the political subdivision to offset the  
 15 loss in revenue to the fund receiving protected taxes. The transfer is  
 16 limited to the amount necessary for the fund receiving protected taxes  
 17 to receive the revenue specified under subsection (c). The amount  
 18 transferred shall be specifically identified as a debt service obligation  
 19 transfer for each affected fund.  
 20 SECTION 31. IC 6-1.1-20.6-9.9, AS AMENDED BY  
 21 P.L.236-2023, SECTION 39, IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.9. (a) This subsection  
 23 applies to credits allocated before January 1, 2024. If:  
 24 (1) a school corporation after July 1, 2016, issues new bonds or  
 25 enters into a new lease rental agreement for which the school  
 26 corporation is imposing or will impose a debt service levy other  
 27 than:  
 28 (A) to refinance or renew prior bond or lease rental  
 29 obligations existing before January 1, 2017; or  
 30 (B) indebtedness that is approved in a local public question  
 31 or referendum under IC 6-1.1-20 or any other law; and  
 32 (2) the school corporation's:  
 33 (A) total debt service levy is greater than the school  
 34 corporation's total debt service levy in 2016; and  
 35 (B) total debt service tax rate is greater than the school  
 36 corporation's total debt service tax rate in 2016;  
 37 the school corporation is not eligible to allocate credits proportionately  
 38 under this section.  
 39 (b) This subsection applies to credits allocated after December 31,  
 40 2023. A school corporation is not eligible to allocate credits  
 41 proportionately under this section, if a school corporation after July 1,

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1 2023, issues new bonds or enters into a new lease rental agreement for  
2 which the school corporation is imposing or will impose a debt service  
3 levy other than:

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

7 (2) indebtedness that is approved in a local public question or  
8 referendum under IC 6-1.1-20 or any other law.

9 (c) Subject to subsection (a) (before January 1, 2024) and  
10 subsection (b) (after December 31, 2023), a school corporation is  
11 eligible to allocate credits proportionately under this section for 2019,  
12 2020, 2021, 2022, 2023, 2024, 2025, or 2026 if the school corporation's  
13 percentage computed under this subsection is at least ten percent (10%)  
14 for its operations fund levy as certified by the department of local  
15 government finance. A school corporation shall compute its percentage  
16 under this subsection as determined under the following formula:

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

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

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

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

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

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

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

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

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

41 (d) A school corporation that desires to be an eligible school

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

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

17 STEP ONE: Determine the product of:

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

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

23 STEP THREE: Determine the product of:

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

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

33 (f) This section expires January 1, 2027.

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

- 39 (1) ~~IC 6-1.1-39-5(h)~~; **IC 6-1.1-39-5(i)**;  
 40 (2) IC 8-22-3.5-9(a);  
 41 (3) IC 8-22-3.5-9.5;

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- 1 (4) IC 36-7-14-39(a);
- 2 (5) IC 36-7-14-39.2;
- 3 (6) IC 36-7-14-39.3(c);
- 4 (7) IC 36-7-14-48;
- 5 (8) IC 36-7-14.5-12.5;
- 6 (9) IC 36-7-15.1-26(a);
- 7 (10) IC 36-7-15.1-26.2(c);
- 8 (11) IC 36-7-15.1-35(a);
- 9 (12) IC 36-7-15.1-35.5;
- 10 (13) IC 36-7-15.1-53;
- 11 (14) IC 36-7-15.1-55(c);
- 12 (15) IC 36-7-30-25(a)(2);
- 13 (16) IC 36-7-30-26(c);
- 14 (17) IC 36-7-30.5-30; or
- 15 (18) IC 36-7-30.5-31.

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

20 (1) property taxes, as defined in:

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

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

36 SECTION 34. IC 6-1.1-24-3.1 IS ADDED TO THE INDIANA  
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2026]: Sec. 3.1. (a) As used in this section,  
 39 "common area" has the meaning set forth in IC 6-1.1-10-37.5(a).

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

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

6 (1) executive of a city or town, if the common area is located  
7 within the corporate boundaries of a city or town; or

8 (2) county executive, if the common area is located in the  
9 unincorporated area of a county;

10 at least twenty-one (21) days before the date of application for  
11 judgment and order for sale.

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

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

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

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

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

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

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

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

23 (A) the date of the sale;

24 (B) the name of the buyer;

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

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

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

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

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

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

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

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

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- 1 (A) the date of the sale;  
 2 (B) the name of the buyer;  
 3 (C) the property identification number of the real property;  
 4 (D) the real property's legal description; and  
 5 (E) a statement that the sale has not been forfeited and is  
 6 valid.

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

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

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

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

- 24 (1) **A sole proprietorship.**  
 25 (2) **A professional practice.**  
 26 (3) **An unincorporated association.**  
 27 (4) **A partnership.**  
 28 (5) **A limited partnership.**  
 29 (6) **A limited liability partnership.**  
 30 (7) **A corporation.**  
 31 (8) **A professional corporation.**  
 32 (9) **A limited liability company.**  
 33 (10) **A trust.**  
 34 (11) **A business trust.**  
 35 (12) **A real estate investment trust.**  
 36 (13) **A fiduciary.**  
 37 (14) **Any other form of organization permitted under Indiana**  
 38 **law for business purposes.**

39 (b) **An individual or business entity may not bid or purchase**  
 40 **a tract or item of real property offered for sale under section 5 or**  
 41 **6.1 of this chapter if:**

- 42 (1) **the individual; or**

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

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

9           SECTION 37. IC 6-1.1-24-9, AS AMENDED BY P.L.26-2023,  
 10          SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11          JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Immediately after  
 12          a tax sale purchaser pays the bid, as evidenced by the receipt of the  
 13          county treasurer, or immediately after the county acquires a lien under  
 14          section 6 of this chapter, the county auditor shall deliver a certificate  
 15          of sale to the purchaser or to the county or to the city. The certificate  
 16          shall be signed by the auditor and registered in the auditor's office. The  
 17          certificate shall contain:

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

20               (2) the name of:

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

23                     (B) at least one (1) of the owners of real property with  
 24                     multiple owners;

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

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

28               (5) the date of sale;

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

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

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

35               (9) the court cause number under which judgment was obtained;  
 36               and

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

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



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1 (c) A certificate of sale is assignable. However, a purchaser who  
 2 acquires a certificate of sale may not assign the certificate of sale to a  
 3 person who was not eligible under section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this  
 4 chapter to bid on or purchase real property at a tax sale held under  
 5 section 5 or 6.1 of this chapter until the person satisfies the eligibility  
 6 requirements as determined by the county auditor. In addition to the  
 7 prohibition on the assignment of a tax sale certificate to a person  
 8 described in section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this chapter until the  
 9 person satisfies the eligibility requirements as determined by the county  
 10 auditor, a county legislative body may adopt an ordinance further  
 11 prohibiting the assignment of a certificate of sale acquired at a  
 12 treasurer's sale (pursuant to section 5 of this chapter) or at a county  
 13 executive's tax sale (pursuant to section 6.1 of this chapter) prior to the  
 14 issuance of a tax deed for the real property by the county auditor.

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

- 20 (1) The assignment must be acknowledged before an officer  
 21 authorized to take acknowledgments of deeds.  
 22 (2) The assignment must be registered in the office of the county  
 23 auditor and noted in the county auditor's tax sale record under  
 24 IC 6-1.1-25-8.

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

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

- 30 (1) the period of redemption of the real property under  
 31 IC 6-1.1-25 is one hundred twenty (120) days after the date of  
 32 the assignment; and  
 33 (2) notwithstanding IC 6-1.1-25-4.5(a) through  
 34 IC 6-1.1-25-4.5(c), the assignee must transmit the notices  
 35 required under IC 6-1.1-25-4.5 not later than ninety (90) days  
 36 after the date of the assignment.

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

41 SECTION 38. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019,



1 SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68,  
 2 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) A declaratory ordinance  
 4 adopted under section 2 of this chapter and confirmed under section 3  
 5 of this chapter must include a provision with respect to the allocation  
 6 and distribution of property taxes for the purposes and in the manner  
 7 provided in this section. The allocation provision must apply to the  
 8 entire economic development district. The allocation provisions must  
 9 require that any property taxes subsequently levied by or for the benefit  
 10 of any public body entitled to a distribution of property taxes on taxable  
 11 property in the economic development district be allocated and  
 12 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  
 16 date with respect to which the allocation and distribution is  
 17 made; 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. However, if the effective date of the  
 21 allocation provision of a declaratory ordinance is after March 1,  
 22 1985, and before January 1, 1986, and if an improvement to  
 23 property was partially completed on March 1, 1985, the unit may  
 24 provide in the declaratory ordinance that the taxes attributable to  
 25 the assessed value of the property as finally determined for  
 26 March 1, 1984, shall be allocated to and, when collected, paid  
 27 into the funds of the respective taxing units.

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

40 (3) When the money in the fund is sufficient to pay all  
 41 outstanding principal of and interest (to the earliest date on

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

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

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

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

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

23 (e) Notwithstanding any other law, the assessed value of all  
 24 taxable property in the economic development district, for purposes of  
 25 tax limitation, property tax replacement, and formulation of the budget,  
 26 tax rate, and tax levy for each political subdivision in which the  
 27 property is located, is the lesser of:

- 28 (1) the assessed value of the property as valued without regard  
 29 to this section; or  
 30 (2) the base assessed value.

31 (f) The state board of accounts and department of local  
 32 government finance shall make the rules and prescribe the forms and  
 33 procedures that they consider expedient for the implementation of this  
 34 chapter. After each reassessment of a group of parcels under a  
 35 reassessment plan prepared under IC 6-1.1-4-4.2 the ~~department of~~  
 36 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 37 **by the department of local government finance**, adjust the base  
 38 assessed value one (1) time to neutralize any effect of the reassessment  
 39 on the property tax proceeds allocated to the district under this section.  
 40 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~  
 41 ~~local government finance~~ **county auditor** shall, **on forms prescribed**

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1 **by the department of local government finance**, adjust the base  
 2 assessed value to neutralize any effect of the annual adjustment on the  
 3 property tax proceeds allocated to the district under this section.  
 4 However, the adjustments under this subsection may not include the  
 5 effect of property tax abatements under IC 6-1.1-12.1.

6 **(g) The county auditor shall, in the manner prescribed by the**  
 7 **department of local government finance, submit the forms**  
 8 **required by this section to the department of local government**  
 9 **finance no later than July 15 of each year. If the county auditor**  
 10 **fails to submit the forms by the deadline under this subsection, the**  
 11 **county auditor shall allocate five percent (5%) of the assessed**  
 12 **value in the allocation area that is used to calculate the allocation**  
 13 **and distribution of allocated tax proceeds under this section to the**  
 14 **respective taxing units. However, if the district notifies the county**  
 15 **auditor and the department of local government finance, no later**  
 16 **than July 15, that it is unable to meet its debt service obligations**  
 17 **with regard to the allocation area without all or part of the**  
 18 **allocated tax proceeds attributed to the assessed value that has**  
 19 **been allocated to the respective taxing units, then the county**  
 20 **auditor may not allocate five percent (5%) of the assessed value in**  
 21 **the allocation area that is used to calculate the allocation and**  
 22 **distribution of allocated tax proceeds under this section to the**  
 23 **respective taxing units.**

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

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

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

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

- 38 (1) the net assessed value of all the property as finally
- 39 determined for the assessment date immediately preceding the
- 40 effective date of the allocation provision of the declaratory
- 41 resolution, as adjusted under subsection (f); plus
- 42 (2) to the extent that it is not included in subdivision (1), the net

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1 assessed value of property that is assessed as residential property  
2 under the rules of the department of local government finance,  
3 *within the economic development district*, as finally determined  
4 for ~~any~~ the current assessment date. ~~after the effective date of~~  
5 ~~the allocation provision.~~

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

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

- 16 (1) the date on which the documents are filed with the county  
17 auditor; or
- 18 (2) the date on which the documents are filed with the  
19 department.

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

- 25 (1) before August 2 of that year, for years before 2018; and
- 26 (2) before June 1 of that year, for years after 2017.

27 (b) Subject to subsections (c) and (d), the department of local  
28 government finance shall certify to the political subdivision **during the**  
29 **certification process under IC 6-1.1-17-16** that the proposal has a  
30 property tax rate that does not exceed the maximum property tax rate  
31 allowed by the applicable statute described in section 1 of this chapter.  
32 If the proposal has a property tax rate that exceeds the maximum  
33 property tax rate allowed by the applicable statute described in section  
34 1 of this chapter, the department of local government finance shall  
35 certify the proposal at a rate equal to the maximum property tax rate  
36 allowed by the applicable statute under section 1 of this chapter.

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

41 (d) If a petition is filed pursuant to section 6 of this chapter, the

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1 department of local government finance may not certify a proposal  
2 under subsection (b) until:

- 3 (1) a hearing has been conducted under section 7 of this chapter;
- 4 and
- 5 (2) a final determination has been made on the petition under
- 6 section 9 of this chapter.

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

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

15 (b) The department of local government finance, in consultation  
16 with the department of state revenue, may make electronically available  
17 uniform notices, ordinances, and resolutions that an adopting body or  
18 other governmental entity may use to take an action under this article.  
19 ~~An adopting body or other governmental entity may submit a proposed~~  
20 ~~notice, ordinance, or resolution to the department of local government~~  
21 ~~finance for review not later than thirty (30) days prior to the date that~~  
22 ~~the adopting body or governing body intends to submit the notice,~~  
23 ~~adopting ordinance or resolution, and vote results on an ordinance or~~  
24 ~~resolution under subsection (d). If the adopting body or other~~  
25 ~~governmental entity wishes to submit the proposed notice, ordinance,~~  
26 ~~or resolution to the department of local government finance for review,~~  
27 ~~the adopting body or other governmental entity shall submit the~~  
28 ~~proposed notice, ordinance, or resolution to the department of local~~  
29 ~~government finance on the prescribed forms. The department of local~~  
30 ~~government finance shall provide to the submitting entity a~~  
31 ~~determination of the appropriateness of the proposed notice, ordinance,~~  
32 ~~or resolution, including recommended modifications, within thirty (30)~~  
33 ~~days of receiving the proposed notice, ordinance, or resolution.~~

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

36 (d) The department of local government finance shall prescribe the  
37 procedures to be used by the adopting body or governmental entity for  
38 submitting to the department the notice, the adopting ordinance or  
39 resolution, and the vote results on an ordinance or resolution. The  
40 department of local government finance shall notify the submitting  
41 entity within thirty (30) days after submission whether the department

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1 has received the necessary information required by the department. A  
 2 final action taken by an adopting body or governmental entity under  
 3 this article to impose a new tax or amend an existing tax is not effective  
 4 until the department of local government finance notifies the adopting  
 5 body or governmental entity that it has received the required  
 6 information from the submitting entity.

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

11 (1) To make the following distributions:

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

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

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

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

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

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

38 (2) After making the distributions described in subdivision (1),  
 39 if any, to make distributions to school corporations and civil  
 40 taxing units in counties that formerly imposed a tax under  
 41 IC 6-3.5-1.1 (repealed). The revenue categorized from the next  
 42 twenty-five hundredths percent (0.25%) of the rate for a former

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1 tax adopted under IC 6-3.5-1.1 (repealed) shall be allocated to  
 2 school corporations and civil taxing units. The amount of the  
 3 allocation to a school corporation or civil taxing unit shall be  
 4 determined using the allocation amounts for civil taxing units  
 5 and school corporations in the county.

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

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

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

14 (b) In the case of a civil taxing unit that has pledged the tax from  
 15 additional revenue for the payment of bonds, leases, or other  
 16 obligations as reported by the civil taxing unit under IC 5-1-18, the  
 17 adopting body may not, under section 4 of this chapter, reduce the  
 18 proportional allocation of the additional revenue that was allocated in  
 19 the preceding year if the reduction for that year would result in an  
 20 amount less than the amount necessary for the payment of bonds,  
 21 leases, or other obligations payable or required to be deposited in a  
 22 sinking fund or other reserve in that year for the bonds, leases, or other  
 23 obligations for which the tax from additional revenue has been pledged.  
 24 To inform an adopting body with regard to allocations that affect the  
 25 payment of bonds, leases, or other obligations, a taxing unit may  
 26 provide the adopting body with information regarding any outstanding  
 27 bonds, leases, or other obligations that are secured by additional  
 28 revenue. The information must be provided before the date of the  
 29 public hearing at which the adopting body may change the allocation  
 30 of additional revenue under section 4 of this chapter.

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

37 (1) hotel;

38 (2) motel;

39 (3) boat motel;

40 (4) inn; or

41 (5) tourist cabin;

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1 located in the county.

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

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

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

16 (e) All of the provisions of IC 6-2.5 relating to rights, duties,  
17 liabilities, procedures, penalties, definitions, exemptions, and  
18 administration are applicable to the imposition and administration of  
19 the tax imposed under this section except to the extent those provisions  
20 are in conflict or inconsistent with the specific provisions of this  
21 chapter or the requirements of the county treasurer. If the tax is paid to  
22 the department of state revenue, the return to be filed for the payment  
23 of the tax under this section may be either a separate return or may be  
24 combined with the return filed for the payment of the state gross retail  
25 tax as the department of state revenue may, by rule, determine.

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

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

37 (b) After each reassessment under IC 6-1.1-4, the ~~department of~~  
38 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
39 **by the department of local government finance**, adjust the base  
40 assessed value (as defined in section 9 of this chapter) one (1) time to  
41 neutralize any effect of the reassessment on the property tax proceeds

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1 allocated to the airport development zone's special funds under section  
2 9 of this chapter.

3 (c) After each annual adjustment under IC 6-1.1-4-4.5, 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 (as defined in section 9 of this chapter)  
7 to neutralize any effect of the annual adjustment on the property tax  
8 proceeds allocated to the airport development zone's special funds  
9 under section 9 of this chapter.

10 (d) **The county auditor shall, in the manner prescribed by the**  
11 **department of local government finance, submit the forms**  
12 **required by this section to the department of local government**  
13 **finance no later than July 15 of each year. If the county auditor**  
14 **fails to submit the forms by the deadline under this subsection, the**  
15 **county auditor shall allocate five percent (5%) of the assessed**  
16 **value in the allocation area that is used to calculate the allocation**  
17 **and distribution of allocated tax proceeds under this section to the**  
18 **respective taxing units. However, if the commission notifies the**  
19 **county auditor and the department of local government finance, no**  
20 **later than July 15, that it is unable to meet its debt service**  
21 **obligations with regard to the allocation area without all or part of**  
22 **the allocated tax proceeds attributed to the assessed value that has**  
23 **been allocated to the respective taxing units, then the county**  
24 **auditor may not allocate five percent (5%) of the assessed value in**  
25 **the allocation area that is used to calculate the allocation and**  
26 **distribution of allocated tax proceeds under this section to the**  
27 **respective taxing units.**

28 SECTION 44. IC 36-1-12-3, AS AMENDED BY P.L.86-2025,  
29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) The board may  
31 purchase or lease materials in the manner provided in IC 5-22 and  
32 perform any public work, by means of its own workforce, without  
33 awarding a contract whenever the cost of that public work project is  
34 estimated to be less than three hundred seventy-five thousand dollars  
35 (\$375,000), adjusted annually by ~~the~~ **an amount equal to the**  
36 **unadjusted** percentage change **for all items** in the Consumer Price  
37 Index for all Urban Consumers as published by the United States  
38 Bureau of Labor Statistics **for the immediately preceding year. On**  
39 **or before January 15, 2026, and on or before January 1 of each**  
40 **year thereafter**, the department of local government finance shall  
41 annually publish the adjusted cost estimate threshold for the current  
42 year, determined in the manner required by this subsection, ~~on the~~



1 ~~department's website. in the Indiana Register under IC 4-22-7-7. For~~  
 2 ~~purposes of applying the annual cost estimate threshold~~  
 3 ~~adjustment, the annual percentage change is applied to the~~  
 4 ~~adjusted amount for the immediately preceding year.~~

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

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

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

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

- 19 (1) the workforce, through demonstrated skills, training, or
- 20 expertise, is capable of performing the public work; and
- 21 (2) for a public work project under subsection (a) whose cost is
- 22 estimated to be more than one hundred thousand dollars
- 23 (\$100,000), the board:

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

- 25 (i) describes the public work that the board intends to
- 26 perform with its own workforce; and
- 27 (ii) sets forth the projected cost of each component of
- 28 the public work as described in subsection (a); and

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

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

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

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

8           ~~(e)~~ **(g)** Municipal and county hospitals must comply with this  
 9 chapter for all contracts for public work that are financed in whole or  
 10 in part with cumulative building fund revenue, as provided in section  
 11 1(c) of this chapter. However, if the cost of the public work is  
 12 estimated to be less than fifty thousand dollars (\$50,000), as reflected  
 13 in the board minutes, the hospital board may have the public work done  
 14 without receiving bids, by purchasing the materials and performing the  
 15 work by means of its own workforce and owned or leased equipment.

16           ~~(h)~~ **(h)** If a public works project involves a structure, an  
 17 improvement, or a facility under the control of a public highway  
 18 department that is under the political control of a unit (as defined in  
 19 IC 36-1-2-23) and involved in the construction, maintenance, or repair  
 20 of a public highway (as defined in IC 9-25-2-4), the department may  
 21 not artificially divide the project to bring any part of the project under  
 22 this section.

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

27           ~~(1)~~ **(1)** provide ~~submit the following~~ to the ~~director of the~~  
 28 department of local government ~~finance~~ **finance's computer**  
 29 **gateway** not more than sixty (60) days after the date of  
 30 execution of the guaranteed savings contract:

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

32           ~~(B)~~ **(2)** The:

33           ~~(i)~~ **(A)** energy or water consumption costs;

34           ~~(ii)~~ **(B)** wastewater usage costs; and

35           ~~(iii)~~ **(C)** billable revenues, if any;

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

38           ~~(C)~~ **(3)** The documentation using industry engineering  
 39 standards for:

40           ~~(i)~~ **(A)** stipulated savings; and

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

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

6 SECTION 46. IC 36-1-12.5-12, AS AMENDED BY  
7 P.L.233-2015, SECTION 332, IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) An  
9 improvement that is not causally connected to a conservation measure  
10 may be included in a guaranteed savings contract if:

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

14 (2) either:  
15 (A) the improvement is necessary to conform to a law, a  
16 rule, or an ordinance; or  
17 (B) an analysis within the guaranteed savings contract  
18 demonstrates that:

19 (i) there is an economic advantage to the political  
20 subdivision in implementing an improvement as part of  
21 the guaranteed savings contract; and  
22 (ii) the savings justification for the improvement is  
23 documented by industry engineering standards.

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

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

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

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

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

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

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

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1 definition in subdivision (2) applies to the expanded part of the  
 2 area added after June 30, 1997.  
 3 Except as provided in section 39.3 of this chapter, "property taxes"  
 4 means taxes imposed under IC 6-1.1 on real property. However, upon  
 5 approval by a resolution of the redevelopment commission adopted  
 6 before June 1, 1987, "property taxes" also includes taxes imposed  
 7 under IC 6-1.1 on depreciable personal property. If a redevelopment  
 8 commission adopted before June 1, 1987, a resolution to include within  
 9 the definition of property taxes, taxes imposed under IC 6-1.1 on  
 10 depreciable personal property that has a useful life in excess of eight  
 11 (8) years, the commission may by resolution determine the percentage  
 12 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 13 that will be included within the definition of property taxes. However,  
 14 the percentage included must not exceed twenty-five percent (25%) of  
 15 the taxes imposed under IC 6-1.1 on all depreciable personal property.  
 16 (b) A declaratory resolution adopted under section 15 of this  
 17 chapter on or before the allocation deadline determined under  
 18 subsection (i) may include a provision with respect to the allocation  
 19 and distribution of property taxes for the purposes and in the manner  
 20 provided in this section. A declaratory resolution previously adopted  
 21 may include an allocation provision by the amendment of that  
 22 declaratory resolution on or before the allocation deadline determined  
 23 under subsection (i) in accordance with the procedures required for its  
 24 original adoption. A declaratory resolution or amendment that  
 25 establishes an allocation provision must include a specific finding of  
 26 fact, supported by evidence, that the adoption of the allocation  
 27 provision will result in new property taxes in the area that would not  
 28 have been generated but for the adoption of the allocation provision.  
 29 For an allocation area established before July 1, 1995, the expiration  
 30 date of any allocation provisions for the allocation area is June 30,  
 31 2025, or the last date of any obligations that are outstanding on July 1,  
 32 2015, whichever is later. A declaratory resolution or an amendment  
 33 that establishes an allocation provision after June 30, 1995, must  
 34 specify an expiration date for the allocation provision. For an allocation  
 35 area established before July 1, 2008, the expiration date may not be  
 36 more than thirty (30) years after the date on which the allocation  
 37 provision is established. For an allocation area established after June  
 38 30, 2008, the expiration date may not be more than twenty-five (25)  
 39 years after the date on which the first obligation was incurred to pay  
 40 principal and interest on bonds or lease rentals on leases payable from  
 41 tax increment revenues. However, with respect to bonds or other

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1 obligations that were issued before July 1, 2008, if any of the bonds or  
 2 other obligations that were scheduled when issued to mature before the  
 3 specified expiration date and that are payable only from allocated tax  
 4 proceeds with respect to the allocation area remain outstanding as of  
 5 the expiration date, the allocation provision does not expire until all of  
 6 the bonds or other obligations are no longer outstanding.  
 7 Notwithstanding any other law, in the case of an allocation area that is  
 8 established after June 30, 2019, and that is located in a redevelopment  
 9 project area described in section 25.1(c)(3)(C) of this chapter, an  
 10 economic development area described in section 25.1(c)(3)(C) of this  
 11 chapter, or an urban renewal project area described in section  
 12 25.1(c)(3)(C) of this chapter, the expiration date of the allocation  
 13 provision may not be more than thirty-five (35) years after the date on  
 14 which the allocation provision is established. The allocation provision  
 15 may apply to all or part of the redevelopment project area. The  
 16 allocation provision must require that any property taxes subsequently  
 17 levied by or for the benefit of any public body entitled to a distribution  
 18 of property taxes on taxable property in the allocation area be allocated  
 19 and distributed as follows:

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

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

25 (B) the base assessed value;

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

28 (2) This subdivision applies to a fire protection territory  
 29 established after December 31, 2022. If a unit becomes a  
 30 participating unit of a fire protection territory that is established  
 31 after a declaratory resolution is adopted under section 15 of this  
 32 chapter, the excess of the proceeds of the property taxes  
 33 attributable to an increase in the property tax rate for the  
 34 participating unit of a fire protection territory:

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

37 STEP ONE: Divide the unit's tax rate for fire  
 38 protection for the year before the establishment of the  
 39 fire protection territory by the participating unit's tax  
 40 rate as part of the fire protection territory.

41 STEP TWO: Subtract the STEP ONE amount from one

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1 (1).  
 2 STEP THREE: Multiply the STEP TWO amount by the  
 3 allocated property tax attributable to the participating  
 4 unit of the fire protection territory; and  
 5 (B) to the extent not otherwise included in subdivisions (1)  
 6 and (3), the amount determined under STEP THREE of  
 7 clause (A) shall be allocated to and distributed in the form  
 8 of an allocated property tax revenue pass back to the  
 9 participating unit of the fire protection territory for the  
 10 assessment date with respect to which the allocation is  
 11 made.  
 12 However, if the redevelopment commission determines that it is  
 13 unable to meet its debt service obligations with regards to the  
 14 allocation area without all or part of the allocated property tax  
 15 revenue pass back to the participating unit of a fire protection  
 16 area under this subdivision, then the allocated property tax  
 17 revenue pass back under this subdivision shall be reduced by the  
 18 amount necessary for the redevelopment commission to meet its  
 19 debt service obligations of the allocation area. The calculation  
 20 under this subdivision must be made by the redevelopment  
 21 commission in collaboration with the county auditor and the  
 22 applicable fire protection territory. Any calculation determined  
 23 according to clause (A) must be submitted to the department of  
 24 local government finance in the manner prescribed by the  
 25 department of local government finance. The department of local  
 26 government finance shall verify the accuracy of each calculation.  
 27 (3) The excess of the proceeds of the property taxes imposed for  
 28 the assessment date with respect to which the allocation and  
 29 distribution is made that are attributable to taxes imposed after  
 30 being approved by the voters in a referendum or local public  
 31 question conducted after April 30, 2010, not otherwise included  
 32 in subdivisions (1) and (2) shall be allocated to and, when  
 33 collected, paid into the funds of the taxing unit for which the  
 34 referendum or local public question was conducted.  
 35 (4) Except as otherwise provided in this section, property tax  
 36 proceeds in excess of those described in subdivisions (1), (2),  
 37 and (3) shall be allocated to the redevelopment district and,  
 38 when collected, paid into an allocation fund for that allocation  
 39 area that may be used by the redevelopment district only to do  
 40 one (1) or more of the following:  
 41 (A) Pay the principal of and interest on any obligations

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- 1 payable solely from allocated tax proceeds which are
- 2 incurred by the redevelopment district for the purpose of
- 3 financing or refinancing the redevelopment of that
- 4 allocation area.
- 5 (B) Establish, augment, or restore the debt service reserve
- 6 for bonds payable solely or in part from allocated tax
- 7 proceeds in that allocation area.
- 8 (C) Pay the principal of and interest on bonds payable from
- 9 allocated tax proceeds in that allocation area and from the
- 10 special tax levied under section 27 of this chapter.
- 11 (D) Pay the principal of and interest on bonds issued by the
- 12 unit to pay for local public improvements that are physically
- 13 located in or physically connected to that allocation area.
- 14 (E) Pay premiums on the redemption before maturity of
- 15 bonds payable solely or in part from allocated tax proceeds
- 16 in that allocation area.
- 17 (F) Make payments on leases payable from allocated tax
- 18 proceeds in that allocation area under section 25.2 of this
- 19 chapter.
- 20 (G) Reimburse the unit for expenditures made by it for local
- 21 public improvements (which include buildings, parking
- 22 facilities, and other items described in section 25.1(a) of
- 23 this chapter) that are physically located in or physically
- 24 connected to that allocation area.
- 25 (H) Reimburse the unit for rentals paid by it for a building
- 26 or parking facility that is physically located in or physically
- 27 connected to that allocation area under any lease entered
- 28 into under IC 36-1-10.
- 29 (I) For property taxes first due and payable before January
- 30 1, 2009, pay all or a part of a property tax replacement
- 31 credit to taxpayers in an allocation area as determined by
- 32 the redevelopment commission. This credit equals the
- 33 amount determined under the following STEPS for each
- 34 taxpayer in a taxing district (as defined in IC 6-1.1-1-20)
- 35 that contains all or part of the allocation area:
- 36 STEP ONE: Determine that part of the sum of the amounts
- 37 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 38 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 39 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable
- 40 to the taxing district.
- 41 STEP TWO: Divide:

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

7 STEP THREE: Multiply:

- 8 (i) the STEP TWO quotient; times
- 9 (ii) the total amount of the taxpayer's taxes (as defined
- 10 in IC 6-1.1-21-2 (before its repeal)) levied in the taxing
- 11 district that have been allocated during that year to an
- 12 allocation fund under this section.

13 If not all the taxpayers in an allocation area receive the

14 credit in full, each taxpayer in the allocation area is entitled

15 to receive the same proportion of the credit. A taxpayer may

16 not receive a credit under this section and a credit under

17 section 39.5 of this chapter (before its repeal) in the same

18 year.

19 (J) Pay expenses incurred by the redevelopment

20 commission for local public improvements that are in the

21 allocation area or serving the allocation area. Public

22 improvements include buildings, parking facilities, and

23 other items described in section 25.1(a) of this chapter.

24 (K) Reimburse public and private entities for expenses

25 incurred in training employees of industrial facilities that

26 are located:

- 27 (i) in the allocation area; and
- 28 (ii) on a parcel of real property that has been classified
- 29 as industrial property under the rules of the department
- 30 of local government finance.

31 However, the total amount of money spent for this purpose

32 in any year may not exceed the total amount of money in the

33 allocation fund that is attributable to property taxes paid by

34 the industrial facilities described in this clause. The

35 reimbursements under this clause must be made within

36 three (3) years after the date on which the investments that

37 are the basis for the increment financing are made.

38 (L) Pay the costs of carrying out an eligible efficiency

39 project (as defined in IC 36-9-41-1.5) within the unit that

40 established the redevelopment commission. However,

41 property tax proceeds may be used under this clause to pay

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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

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notice (in an electronic format) to the department of local government finance not later than June 15 of each year. 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 of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (4) or lessors under section 25.3 of this chapter.

**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 June 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 (4); plus

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1 (ii) the amount necessary for other purposes described  
2 in subdivision (4);  
3 the commission shall submit to the legislative body of the  
4 unit its determination of the excess assessed value that the  
5 commission proposes to allocate to the respective taxing  
6 units in the manner prescribed in subdivision (1). The  
7 legislative body of the unit may approve the commission's  
8 determination or modify the amount of the excess assessed  
9 value that will be allocated to the respective taxing units in  
10 the manner prescribed in subdivision (1).

11 (6) Notwithstanding subdivision (5), in the case of an allocation  
12 area that is established after June 30, 2019, and that is located in  
13 a redevelopment project area described in section 25.1(c)(3)(C)  
14 of this chapter, an economic development area described in  
15 section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
16 area described in section 25.1(c)(3)(C) of this chapter, for each  
17 year the allocation provision is in effect, if the amount of excess  
18 assessed value determined by the commission under subdivision  
19 (5)(A) is expected to generate more than two hundred percent  
20 (200%) of:

21 (A) the amount of allocated tax proceeds necessary to make,  
22 when due, principal and interest payments on bonds  
23 described in subdivision (4) for the project; plus  
24 (B) the amount necessary for other purposes described in  
25 subdivision (4) for the project;

26 the amount of the excess assessed value that generates more than  
27 two hundred percent (200%) of the amounts described in clauses  
28 (A) and (B) shall be allocated to the respective taxing units in  
29 the manner prescribed by subdivision (1).

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

35 (1) the assessed value of the property for the assessment date  
36 with 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)(4) may, subject to subsection (b)(5), be  
40 irrevocably pledged by the redevelopment district for payment as set  
41 forth in subsection (b)(4).

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

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

- 10 (1) the assessed value of the property as valued without regard
- 11 to this section; or
- 12 (2) the base assessed value.

13 (g) If any part of the allocation area is located in an enterprise zone  
14 created under IC 5-28-15, the unit that designated the allocation area  
15 shall create funds as specified in this subsection. A unit that has  
16 obligations, bonds, or leases payable from allocated tax proceeds under  
17 subsection (b)(4) shall establish an allocation fund for the purposes  
18 specified in subsection (b)(4) and a special zone fund. Such a unit  
19 shall, until the end of the enterprise zone phase out period, deposit each  
20 year in the special zone fund any amount in the allocation fund derived  
21 from property tax proceeds in excess of those described in subsection  
22 (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone  
23 that exceeds the amount sufficient for the purposes specified in  
24 subsection (b)(4) for the year. The amount sufficient for purposes  
25 specified in subsection (b)(4) for the year shall be determined based on  
26 the pro rata portion of such current property tax proceeds from the part  
27 of the enterprise zone that is within the allocation area as compared to  
28 all such current property tax proceeds derived from the allocation area.  
29 A unit that has no obligations, bonds, or leases payable from allocated  
30 tax proceeds under subsection (b)(4) shall establish a special zone fund  
31 and deposit all the property tax proceeds in excess of those described  
32 in subsection (b)(1), (b)(2), and (b)(3) in the fund derived from  
33 property tax proceeds in excess of those described in subsection (b)(1),  
34 (b)(2), and (b)(3) from property located in the enterprise zone. The unit  
35 that creates the special zone fund shall use the fund (based on the  
36 recommendations of the urban enterprise association) for programs in  
37 job training, job enrichment, and basic skill development that are  
38 designed to benefit residents and employers in the enterprise zone or  
39 other purposes specified in subsection (b)(4), except that where  
40 reference is made in subsection (b)(4) to allocation area it shall refer  
41 for purposes of payments from the special zone fund only to that part

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1 of the allocation area that is also located in the enterprise zone. Those  
 2 programs shall reserve at least one-half (1/2) of their enrollment in any  
 3 session for residents of the enterprise zone.

4 (h) The state board of accounts and department of local  
 5 government finance shall make the rules and prescribe the forms and  
 6 procedures that they consider expedient for the implementation of this  
 7 chapter. After each reassessment in an area under a reassessment plan  
 8 prepared under IC 6-1.1-4-4.2, the ~~department of local government~~  
 9 ~~finance county auditor~~ shall, **on forms prescribed by the**  
 10 **department of local government finance**, adjust the base assessed  
 11 value one (1) time to neutralize any effect of the reassessment of the  
 12 real property in the area on the property tax proceeds allocated to the  
 13 redevelopment district under this section. After each annual adjustment  
 14 under IC 6-1.1-4-4.5, the ~~department of local government finance~~  
 15 ~~county auditor~~ shall, **on forms prescribed by the department of**  
 16 **local government finance**, adjust the base assessed value one (1) time  
 17 to neutralize any effect of the annual adjustment on the property tax  
 18 proceeds allocated to the redevelopment district under this section.  
 19 However, the adjustments under this subsection:

- 20 (1) may not include the effect of phasing in assessed value due  
 21 to property tax abatements under IC 6-1.1-12.1;  
 22 (2) may not produce less property tax proceeds allocable to the  
 23 redevelopment district under subsection (b)(4) than would  
 24 otherwise have been received if the reassessment under the  
 25 reassessment plan or the annual adjustment had not occurred;  
 26 and  
 27 (3) may decrease base assessed value only to the extent that  
 28 assessed values in the allocation area have been decreased due  
 29 to annual adjustments or the reassessment under the  
 30 reassessment plan.

31 Assessed value increases attributable to the application of an abatement  
 32 schedule under IC 6-1.1-12.1 may not be included in the base assessed  
 33 value of an allocation area. ~~The department of local government~~  
 34 ~~finance may prescribe procedures for county and township officials to~~  
 35 ~~follow to assist the department in making the adjustments. The county~~  
 36 ~~auditor shall, in the manner prescribed by the department of local~~  
 37 ~~government finance, submit the forms required by this subsection~~  
 38 ~~to the department of local government finance no later than July~~  
 39 ~~15 of each year. If the county auditor fails to submit the forms by~~  
 40 ~~the deadline under this subsection, the county auditor shall allocate~~  
 41 ~~five percent (5%) of the assessed value in the allocation area that~~

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

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

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

15 (2) Subject to subdivision (3), the initial allocation deadline and  
 16 subsequent allocation deadlines are automatically extended in  
 17 increments of five (5) years, so that allocation deadlines  
 18 subsequent to the initial allocation deadline fall on December 31,  
 19 2016, and December 31 of each fifth year thereafter.

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

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

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

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

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

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

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



1 SECTION 48. IC 36-7-14-48, AS AMENDED BY P.L.236-2023,  
2 SECTION 180, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) Notwithstanding section  
4 39(a) of this chapter, with respect to the allocation and distribution of  
5 property taxes for the accomplishment of a program adopted under  
6 section 45 of this chapter, "base assessed value" means, subject to  
7 section 39(j) of this chapter, the net assessed value of all of the  
8 property, other than personal property, as finally determined for the  
9 assessment date immediately preceding the effective date of the  
10 allocation provision, as adjusted under section 39(h) of this chapter.

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

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

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

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

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

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

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

32 (7) For property taxes first due and payable before January 1,  
33 2009, providing each taxpayer in the allocation area a credit for  
34 property tax replacement as determined under subsections (c)  
35 and (d). However, the commission may provide this credit only  
36 if the municipal legislative body (in the case of a redevelopment  
37 commission established by a municipality) or the county  
38 executive (in the case of a redevelopment commission  
39 established by a county) establishes the credit by ordinance  
40 adopted in the year before the year in which the credit is  
41 provided.

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

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

9 STEP TWO: Divide:

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

15 (B) the amount determined under STEP ONE.

16 STEP THREE: Multiply:

17 (A) the STEP TWO quotient; by

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

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

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

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

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

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

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

7 (1) Accomplish one (1) or more of the actions set forth in section  
8 39(b)(4)(A) through 39(b)(4)(H) and 39(b)(4)(J) of this chapter  
9 for property that is residential in nature.

10 (2) Reimburse the county or municipality for expenditures made  
11 by the county or municipality in order to accomplish the housing  
12 program in that allocation area.

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

15 (f) Notwithstanding section 39(b) of this chapter, the commission  
16 shall, relative to the allocation fund established under section 39(b) of  
17 this chapter for an allocation area for a program adopted under section  
18 45 of this chapter, do the following before June 15 of each year:

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

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

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

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

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

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

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1 (A) state the amount, if any, of excess property taxes that  
 2 the commission has determined may be paid to the  
 3 respective taxing units in the manner prescribed in section  
 4 39(b)(1) of this chapter; or

5 (B) state that the commission has determined that there is  
 6 no excess assessed value that may be allocated to the  
 7 respective taxing units in the manner prescribed in  
 8 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. **If a commission fails to provide the notice under  
 12 this subdivision, the county auditor shall allocate five percent  
 13 (5%) of the assessed value in the allocation area that is used  
 14 to calculate the allocation and distribution of allocated tax  
 15 proceeds under this section to the respective taxing units.  
 16 However, if the commission notifies the county auditor and  
 17 the department of local government finance, no later than  
 18 June 15, that it is unable to meet its debt service obligations  
 19 with regard to the allocation area without all or part of the  
 20 allocated tax proceeds attributed to the assessed value that  
 21 has been allocated to the respective taxing units, then the  
 22 county auditor may not allocate five percent (5%) of the  
 23 assessed value in the allocation area that is used to calculate  
 24 the allocation and distribution of allocated tax proceeds  
 25 under this section to the respective taxing units.**

26 (3) If:

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

32 (B) the amount necessary for other purposes described in  
 33 subdivision (1);

34 the commission shall submit to the legislative body of the unit its  
 35 determination of the excess assessed value that the commission  
 36 proposes to allocate to the respective taxing units in the manner  
 37 prescribed in subdivision (2). The legislative body of the unit  
 38 may approve the commission's determination or modify the  
 39 amount of the excess assessed value that will be allocated to the  
 40 respective taxing units in the manner prescribed in subdivision  
 41 (2).

42 (g) This subsection applies to an allocation area only to the extent

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1 that the net assessed value of property that is assessed as residential  
 2 property under the rules of the department of local government finance  
 3 is not included in the base assessed value. If property tax installments  
 4 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
 5 installments established by the department of local government finance  
 6 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
 7 allocation area is entitled to an additional credit under subsection (d)  
 8 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in  
 9 installments. The credit shall be applied in the same proportion to each  
 10 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

11 SECTION 49. IC 36-7-14-52, AS AMENDED BY P.L.236-2023,  
 12 SECTION 181, IS AMENDED TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2026]: Sec. 52. (a) Notwithstanding section  
 14 39(a) of this chapter, with respect to the allocation and distribution of  
 15 property taxes for the accomplishment of the purposes of an  
 16 age-restricted housing program adopted under section 49 of this  
 17 chapter, "base assessed value" means, subject to section 39(j) of this  
 18 chapter, the net assessed value of all of the property, other than  
 19 personal property, as finally determined for the assessment date  
 20 immediately preceding the effective date of the allocation provision, as  
 21 adjusted under section 39(h) of this chapter.

22 (b) The allocation fund established under section 39(b) of this  
 23 chapter for the allocation area for an age-restricted housing program  
 24 adopted under section 49 of this chapter may be used only for purposes  
 25 related to the accomplishment of the purposes of the program,  
 26 including, but not limited to, the following:

- 27 (1) The construction of any infrastructure (including streets,  
 28 sidewalks, and sewers) or local public improvements in, serving,  
 29 or benefiting the allocation area.  
 30 (2) The acquisition of real property and interests in real property  
 31 within the allocation area.  
 32 (3) The preparation of real property in anticipation of  
 33 development of the real property within the allocation area.  
 34 (4) To do any of the following:  
 35 (A) Pay the principal of and interest on bonds or any other  
 36 obligations payable from allocated tax proceeds in the  
 37 allocation area that are incurred by the redevelopment  
 38 district for the purpose of financing or refinancing the  
 39 age-restricted housing program established under section 49  
 40 of this chapter for the allocation area.  
 41 (B) Establish, augment, or restore the debt service reserve



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- 1 for bonds payable solely or in part from allocated tax
- 2 proceeds in the allocation area.
- 3 (C) Pay the principal of and interest on bonds payable from
- 4 allocated tax proceeds in the allocation area and from the
- 5 special tax levied under section 27 of this chapter.
- 6 (D) Pay the principal of and interest on bonds issued by the
- 7 unit to pay for local public improvements that are physically
- 8 located in or physically connected to the allocation area.
- 9 (E) Pay premiums on the redemption before maturity of
- 10 bonds payable solely or in part from allocated tax proceeds
- 11 in the allocation area.
- 12 (F) Make payments on leases payable from allocated tax
- 13 proceeds in the allocation area under section 25.2 of this
- 14 chapter.
- 15 (G) Reimburse the unit for expenditures made by the unit
- 16 for local public improvements (which include buildings,
- 17 parking facilities, and other items described in section
- 18 25.1(a) of this chapter) that are physically located in or
- 19 physically connected to the allocation area.
- 20 (c) Notwithstanding section 39(b) of this chapter, the commission
- 21 shall, relative to the allocation fund established under section 39(b) of
- 22 this chapter for an allocation area for an age-restricted housing program
- 23 adopted under section 49 of this chapter, do the following before June
- 24 15 of each year:
- 25 (1) Determine the amount, if any, by which the assessed value of
- 26 the taxable property in the allocation area for the most recent
- 27 assessment date minus the base assessed value, when multiplied
- 28 by the estimated tax rate of the allocation area, will exceed the
- 29 amount of assessed value needed to produce the property taxes
- 30 necessary to:
- 31 (A) make the distribution required under section 39(b)(2)
- 32 and 39(b)(3) of this chapter;
- 33 (B) make, when due, principal and interest payments on
- 34 bonds described in section 39(b)(4) of this chapter;
- 35 (C) pay the amount necessary for other purposes described
- 36 in section 39(b)(4) of this chapter; and
- 37 (D) reimburse the county or municipality for anticipated
- 38 expenditures described in subsection (b)(2).
- 39 (2) Provide a written notice to the county auditor, the fiscal body
- 40 of the county or municipality that established the department of
- 41 redevelopment, and the officers who are authorized to fix

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1 budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of  
 2 the other taxing units that is wholly or partly located within the  
 3 allocation area. The county auditor, upon receiving the notice,  
 4 shall forward this notice (in an electronic format) to the  
 5 department of local government finance not later than June 15 of  
 6 each year. The notice must:

7 (A) state the amount, if any, of excess property taxes that  
 8 the commission has determined may be paid to the  
 9 respective taxing units in the manner prescribed in section  
 10 39(b)(1) of this chapter; or

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

15 The county auditor shall allocate to the respective taxing units the  
 16 amount, if any, of excess assessed value determined by the  
 17 commission. **If a commission fails to provide the notice under  
 18 subdivision (2), the county auditor shall allocate five percent (5%)  
 19 of the assessed value in the allocation area that is used to calculate  
 20 the allocation and distribution of allocated tax proceeds under this  
 21 section to the respective taxing units. However, if the commission  
 22 notifies the county auditor and the department of local government  
 23 finance, no later than July 15, that it is unable to meet its debt  
 24 service obligations with regard to the allocation area without all or  
 25 part of the allocated tax proceeds attributed to the assessed value  
 26 that has been allocated to the respective taxing units, then the  
 27 county auditor may not allocate five percent (5%) of the assessed  
 28 value in the allocation area that is used to calculate the allocation  
 29 and distribution of allocated tax proceeds under this section to the  
 30 respective taxing units.**

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

34 (1) property taxes, as described in:

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

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

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

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

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

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

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

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



1 (I) IC 36-7-15.1-55(c);  
 2 (J) IC 36-7-30-25(a)(3);  
 3 (K) IC 36-7-30-26(c);  
 4 (L) IC 36-7-30.5-30; or  
 5 (M) IC 36-7-30.5-31; and  
 6 (2) for allocation areas created under IC 8-22-3.5, the taxes  
 7 assessed on taxable tangible property in the allocation area.  
 8 SECTION 51. IC 36-7-15.1-26, AS AMENDED BY  
 9 P.L.174-2022, SECTION 72, IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 26. (a) As used in this  
 11 section:  
 12 "Allocation area" means that part of a redevelopment project area  
 13 to which an allocation provision of a resolution adopted under section  
 14 8 of this chapter refers for purposes of distribution and allocation of  
 15 property taxes.  
 16 "Base assessed value" means, subject to subsection (j), the  
 17 following:  
 18 (1) If an allocation provision is adopted after June 30, 1995, in  
 19 a declaratory resolution or an amendment to a declaratory  
 20 resolution establishing an economic development area:  
 21 (A) the net assessed value of all the property as finally  
 22 determined for the assessment date immediately preceding  
 23 the effective date of the allocation provision of the  
 24 declaratory resolution, as adjusted under subsection (h);  
 25 plus  
 26 (B) to the extent that it is not included in clause (A), the net  
 27 assessed value of property that is assessed as residential  
 28 property under the rules of the department of local  
 29 government finance, within the allocation area, as finally  
 30 determined for the current assessment date.  
 31 (2) If an allocation provision is adopted after June 30, 1997, in  
 32 a declaratory resolution or an amendment to a declaratory  
 33 resolution establishing a redevelopment project area:  
 34 (A) the net assessed value of all the property as finally  
 35 determined for the assessment date immediately preceding  
 36 the effective date of the allocation provision of the  
 37 declaratory resolution, as adjusted under subsection (h);  
 38 plus  
 39 (B) to the extent that it is not included in clause (A), the net  
 40 assessed value of property that is assessed as residential  
 41 property under the rules of the department of local

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- 1 government finance, within the allocation area, as finally  
 2 determined for the current assessment date.
- 3 (3) If:
- 4 (A) an allocation provision adopted before June 30, 1995,  
 5 in a declaratory resolution or an amendment to a declaratory  
 6 resolution establishing a redevelopment project area expires  
 7 after June 30, 1997; and
- 8 (B) after June 30, 1997, a new allocation provision is  
 9 included in an amendment to the declaratory resolution;  
 10 the net assessed value of all the property as finally determined  
 11 for the assessment date immediately preceding the effective date  
 12 of the allocation provision adopted after June 30, 1997, as  
 13 adjusted under subsection (h).
- 14 (4) Except as provided in subdivision (5), for all other allocation  
 15 areas, the net assessed value of all the property as finally  
 16 determined for the assessment date immediately preceding the  
 17 effective date of the allocation provision of the declaratory  
 18 resolution, as adjusted under subsection (h).
- 19 (5) If an allocation area established in an economic development  
 20 area before July 1, 1995, is expanded after June 30, 1995, the  
 21 definition in subdivision (1) applies to the expanded part of the  
 22 area added after June 30, 1995.
- 23 (6) If an allocation area established in a redevelopment project  
 24 area before July 1, 1997, is expanded after June 30, 1997, the  
 25 definition in subdivision (2) applies to the expanded part of the  
 26 area added after June 30, 1997.
- 27 Except as provided in section 26.2 of this chapter, "property taxes"  
 28 means taxes imposed under IC 6-1.1 on real property. However, upon  
 29 approval by a resolution of the redevelopment commission adopted  
 30 before June 1, 1987, "property taxes" also includes taxes imposed  
 31 under IC 6-1.1 on depreciable personal property. If a redevelopment  
 32 commission adopted before June 1, 1987, a resolution to include within  
 33 the definition of property taxes, taxes imposed under IC 6-1.1 on  
 34 depreciable personal property that has a useful life in excess of eight  
 35 (8) years, the commission may by resolution determine the percentage  
 36 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 37 that will be included within the definition of property taxes. However,  
 38 the percentage included must not exceed twenty-five percent (25%) of  
 39 the taxes imposed under IC 6-1.1 on all depreciable personal property.
- 40 (b) A resolution adopted under section 8 of this chapter on or  
 41 before the allocation deadline determined under subsection (i) may

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1 include a provision with respect to the allocation and distribution of  
 2 property taxes for the purposes and in the manner provided in this  
 3 section. A resolution previously adopted may include an allocation  
 4 provision by the amendment of that resolution on or before the  
 5 allocation deadline determined under subsection (i) in accordance with  
 6 the procedures required for its original adoption. A declaratory  
 7 resolution or amendment that establishes an allocation provision must  
 8 include a specific finding of fact, supported by evidence, that the  
 9 adoption of the allocation provision will result in new property taxes in  
 10 the area that would not have been generated but for the adoption of the  
 11 allocation provision. For an allocation area established before July 1,  
 12 1995, the expiration date of any allocation provisions for the allocation  
 13 area is June 30, 2025, or the last date of any obligations that are  
 14 outstanding on July 1, 2015, whichever is later. However, for an  
 15 allocation area identified as the Consolidated Allocation Area in the  
 16 report submitted in 2013 to the fiscal body under section 36.3 of this  
 17 chapter, the expiration date of any allocation provisions for the  
 18 allocation area is January 1, 2051. A declaratory resolution or an  
 19 amendment that establishes an allocation provision after June 30, 1995,  
 20 must specify an expiration date for the allocation provision. For an  
 21 allocation area established before July 1, 2008, the expiration date may  
 22 not be more than thirty (30) years after the date on which the allocation  
 23 provision is established. For an allocation area established after June  
 24 30, 2008, the expiration date may not be more than twenty-five (25)  
 25 years after the date on which the first obligation was incurred to pay  
 26 principal and interest on bonds or lease rentals on leases payable from  
 27 tax increment revenues. However, with respect to bonds or other  
 28 obligations that were issued before July 1, 2008, if any of the bonds or  
 29 other obligations that were scheduled when issued to mature before the  
 30 specified expiration date and that are payable only from allocated tax  
 31 proceeds with respect to the allocation area remain outstanding as of  
 32 the expiration date, the allocation provision does not expire until all of  
 33 the bonds or other obligations are no longer outstanding. The allocation  
 34 provision may apply to all or part of the redevelopment project area.  
 35 The allocation provision must require that any property taxes  
 36 subsequently levied by or for the benefit of any public body entitled to  
 37 a distribution of property taxes on taxable property in the allocation  
 38 area be allocated and distributed as follows:

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

41 (A) the assessed value of the property for the assessment

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1           date with respect to which the allocation and distribution is  
2           made; or  
3           (B) the base assessed value;  
4 shall be allocated to and, when collected, paid into the funds of  
5 the respective taxing units.  
6 (2) The excess of the proceeds of the property taxes imposed for  
7 the assessment date with respect to which the allocation and  
8 distribution is made that are attributable to taxes imposed after  
9 being approved by the voters in a referendum or local public  
10 question conducted after April 30, 2010, not otherwise included  
11 in subdivision (1) shall be allocated to and, when collected, paid  
12 into the funds of the taxing unit for which the referendum or  
13 local public question was conducted.  
14 (3) Except as otherwise provided in this section, property tax  
15 proceeds in excess of those described in subdivisions (1) and (2)  
16 shall be allocated to the redevelopment district and, when  
17 collected, paid into a special fund for that allocation area that  
18 may be used by the redevelopment district only to do one (1) or  
19 more of the following:  
20           (A) Pay the principal of and interest on any obligations  
21 payable solely from allocated tax proceeds that are incurred  
22 by the redevelopment district for the purpose of financing  
23 or refinancing the redevelopment of that allocation area.  
24           (B) Establish, augment, or restore the debt service reserve  
25 for bonds payable solely or in part from allocated tax  
26 proceeds in that allocation area.  
27           (C) Pay the principal of and interest on bonds payable from  
28 allocated tax proceeds in that allocation area and from the  
29 special tax levied under section 19 of this chapter.  
30           (D) Pay the principal of and interest on bonds issued by the  
31 consolidated city to pay for local public improvements that  
32 are physically located in or physically connected to that  
33 allocation area.  
34           (E) Pay premiums on the redemption before maturity of  
35 bonds payable solely or in part from allocated tax proceeds  
36 in that allocation area.  
37           (F) Make payments on leases payable from allocated tax  
38 proceeds in that allocation area under section 17.1 of this  
39 chapter.  
40           (G) Reimburse the consolidated city for expenditures for  
41 local public improvements (which include buildings,

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1 parking facilities, and other items set forth in section 17 of  
 2 this chapter) that are physically located in or physically  
 3 connected to that allocation area.

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

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

11 (i) in the allocation area; and

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

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

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

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

36 (ii) Make any reimbursements required under this  
 37 subdivision.

38 (iii) Pay any expenses required under this subdivision.

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

41 (K) Expend money and provide financial assistance as

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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,**

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

10 (C) If:

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

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

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

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

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

35 (d) Property tax proceeds allocable to the redevelopment district  
 36 under subsection (b)(3) may, subject to subsection (b)(4), be  
 37 irrevocably pledged by the redevelopment district for payment as set  
 38 forth in subsection (b)(3).

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



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1 (f) Notwithstanding any other law, the assessed value of all taxable  
 2 property in the allocation area, for purposes of tax limitation, property  
 3 tax replacement, and formulation of the budget, tax rate, and tax levy  
 4 for each political subdivision in which the property is located is the  
 5 lesser of:

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

8 (2) the base assessed value.

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

29 (1) To pay for programs in job training, job enrichment, and  
 30 basic skill development designed to benefit residents and  
 31 employers in the enterprise zone. The programs must reserve at  
 32 least one-half (1/2) of the enrollment in any session for residents  
 33 of the enterprise zone.

34 (2) To make loans and grants for the purpose of stimulating  
 35 business activity in the enterprise zone or providing employment  
 36 for enterprise zone residents in the enterprise zone. These loans  
 37 and grants may be made to the following:

38 (A) Businesses operating in the enterprise zone.

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

41 (3) To provide funds to carry out other purposes specified in

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1 subsection (b)(3). However, where reference is made in  
 2 subsection (b)(3) to the allocation area, the reference refers for  
 3 purposes of payments from the special zone fund only to that  
 4 part of the allocation area that is also located in the enterprise  
 5 zone.

6 (h) The state board of accounts and department of local  
 7 government finance shall make the rules and prescribe the forms and  
 8 procedures that they consider expedient for the implementation of this  
 9 chapter. After each reassessment under a reassessment plan prepared  
 10 under IC 6-1.1-4-4.2, the ~~department of local government finance~~  
 11 **county auditor shall, on forms prescribed by the department of**  
 12 **local government finance**, adjust the base assessed value one (1) time  
 13 to neutralize any effect of the reassessment of the real property in the  
 14 area on the property tax proceeds allocated to the redevelopment  
 15 district under this section. After each annual adjustment under  
 16 IC 6-1.1-4-4.5, the ~~department of local government finance county~~  
 17 **auditor shall, on forms prescribed by the department of local**  
 18 **government finance**, adjust the base assessed value to neutralize any  
 19 effect of the annual adjustment on the property tax proceeds allocated  
 20 to the redevelopment district under this section. However, the  
 21 adjustments under this subsection may not include the effect of  
 22 property tax abatements under IC 6-1.1-12.1, and these adjustments  
 23 may not produce less property tax proceeds allocable to the  
 24 redevelopment district under subsection (b)(3) than would otherwise  
 25 have been received if the reassessment under the reassessment plan or  
 26 annual adjustment had not occurred. ~~The department of local~~  
 27 ~~government finance may prescribe procedures for county and township~~  
 28 ~~officials to follow to assist the department in making the adjustments.~~  
 29 **The county auditor shall, in the manner prescribed by the**  
 30 **department of local government finance, submit the forms**  
 31 **required by this subsection to the department of local government**  
 32 **finance no later than July 15 of each year. If the county auditor**  
 33 **fails to submit the forms by the deadline under this subsection, the**  
 34 **county auditor shall allocate five percent (5%) of the assessed**  
 35 **value in the allocation area that is used to calculate the allocation**  
 36 **and distribution of allocated tax proceeds under this section to the**  
 37 **respective taxing units. However, if the commission notifies the**  
 38 **county auditor and the department of local government finance, no**  
 39 **later than July 15, that it is unable to meet its debt service**  
 40 **obligations with regard to the allocation area without all or part of**  
 41 **the allocated tax proceeds attributed to the assessed value that has**  
 42 **been allocated to the respective taxing units, then the county**

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**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 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, 2024, "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, 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 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

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1 to which an allocation provision of a resolution adopted under section  
 2 8 of this chapter refers for purposes of distribution and allocation of  
 3 property taxes.  
 4 "Base assessed value" means, subject to subsection (j), the  
 5 following:  
 6 (1) If an allocation provision is adopted after June 30, 1995, in  
 7 a declaratory resolution or an amendment to a declaratory  
 8 resolution establishing an economic development area:  
 9 (A) the net assessed value of all the property as finally  
 10 determined for the assessment date immediately preceding  
 11 the effective date of the allocation provision of the  
 12 declaratory resolution, as adjusted under subsection (h);  
 13 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  
 17 government finance, within the allocation area, as finally  
 18 determined for the current assessment date.  
 19 (2) If an allocation provision is adopted after June 30, 1997, in  
 20 a declaratory resolution or an amendment to a declaratory  
 21 resolution establishing a redevelopment project area:  
 22 (A) the net assessed value of all the property as finally  
 23 determined for the assessment date immediately preceding  
 24 the effective date of the allocation provision of the  
 25 declaratory resolution, as adjusted under subsection (h);  
 26 plus  
 27 (B) to the extent that it is not included in clause (A), the net  
 28 assessed value of property that is assessed as residential  
 29 property under the rules of the department of local  
 30 government finance, within the allocation area, as finally  
 31 determined for the current assessment date.  
 32 (3) If:  
 33 (A) an allocation provision adopted before June 30, 1995,  
 34 in a declaratory resolution or an amendment to a declaratory  
 35 resolution establishing a redevelopment project area expires  
 36 after June 30, 1997; and  
 37 (B) after June 30, 1997, a new allocation provision is  
 38 included in an amendment to the declaratory resolution;  
 39 the net assessed value of all the property as finally determined  
 40 for the assessment date immediately preceding the effective date  
 41 of the allocation provision adopted after June 30, 1997, as

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1 adjusted under subsection (h).  
 2 (4) Except as provided in subdivision (5), for all other allocation  
 3 areas, the net assessed value of all the property as finally  
 4 determined for the assessment date immediately preceding the  
 5 effective date of the allocation provision of the declaratory  
 6 resolution, as adjusted under subsection (h).  
 7 (5) If an allocation area established in an economic development  
 8 area before July 1, 1995, is expanded after June 30, 1995, the  
 9 definition in subdivision (1) applies to the expanded part of the  
 10 area added after June 30, 1995.  
 11 (6) If an allocation area established in a redevelopment project  
 12 area before July 1, 1997, is expanded after June 30, 1997, the  
 13 definition in subdivision (2) applies to the expanded part of the  
 14 area added after June 30, 1997.

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

28 (b) A resolution adopted under section 8 of this chapter on or  
 29 before the allocation deadline determined under subsection (i) may  
 30 include a provision with respect to the allocation and distribution of  
 31 property taxes for the purposes and in the manner provided in this  
 32 section. A resolution previously adopted may include an allocation  
 33 provision by the amendment of that resolution on or before the  
 34 allocation deadline determined under subsection (i) in accordance with  
 35 the procedures required for its original adoption. A declaratory  
 36 resolution or amendment that establishes an allocation provision must  
 37 include a specific finding of fact, supported by evidence, that the  
 38 adoption of the allocation provision will result in new property taxes in  
 39 the area that would not have been generated but for the adoption of the  
 40 allocation provision. For an allocation area established before July 1,  
 41 1995, the expiration date of any allocation provisions for the allocation

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1 area is June 30, 2025, or the last date of any obligations that are  
 2 outstanding on July 1, 2015, whichever is later. However, for an  
 3 allocation area identified as the Consolidated Allocation Area in the  
 4 report submitted in 2013 to the fiscal body under section 36.3 of this  
 5 chapter, the expiration date of any allocation provisions for the  
 6 allocation area is January 1, 2051. A declaratory resolution or an  
 7 amendment that establishes an allocation provision after June 30, 1995,  
 8 must specify an expiration date for the allocation provision. For an  
 9 allocation area established before July 1, 2008, the expiration date may  
 10 not be more than thirty (30) years after the date on which the allocation  
 11 provision is established. For an allocation area established after June  
 12 30, 2008, the expiration date may not be more than twenty-five (25)  
 13 years after the date on which the first obligation was incurred to pay  
 14 principal and interest on bonds or lease rentals on leases payable from  
 15 tax increment revenues. However, with respect to bonds or other  
 16 obligations that were issued before July 1, 2008, if any of the bonds or  
 17 other obligations that were scheduled when issued to mature before the  
 18 specified expiration date and that are payable only from allocated tax  
 19 proceeds with respect to the allocation area remain outstanding as of  
 20 the expiration date, the allocation provision does not expire until all of  
 21 the bonds or other obligations are no longer outstanding. The allocation  
 22 provision may apply to all or part of the redevelopment project area.  
 23 The allocation provision must require that any property taxes  
 24 subsequently levied by or for the benefit of any public body entitled to  
 25 a distribution of property taxes on taxable property in the allocation  
 26 area be allocated and distributed as follows:

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

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

32 (B) the base assessed value;

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

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

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1 local public question was conducted.  
 2 (3) Except as otherwise provided in this section, property tax  
 3 proceeds in excess of those described in subdivisions (1) and (2)  
 4 shall be allocated to the redevelopment district and, when  
 5 collected, paid into a special fund for that allocation area that  
 6 may be used by the redevelopment district only to do one (1) or  
 7 more of the following:  
 8 (A) Pay the principal of and interest on any obligations  
 9 payable solely from allocated tax proceeds that are incurred  
 10 by the redevelopment district for the purpose of financing  
 11 or refinancing the redevelopment of that allocation area.  
 12 (B) Establish, augment, or restore the debt service reserve  
 13 for bonds payable solely or in part from allocated tax  
 14 proceeds in that allocation area.  
 15 (C) Pay the principal of and interest on bonds payable from  
 16 allocated tax proceeds in that allocation area and from the  
 17 special tax levied under section 19 of this chapter.  
 18 (D) Pay the principal of and interest on bonds issued by the  
 19 consolidated city to pay for local public improvements that  
 20 are physically located in or physically connected to that  
 21 allocation area.  
 22 (E) Pay premiums on the redemption before maturity of  
 23 bonds payable solely or in part from allocated tax proceeds  
 24 in that allocation area.  
 25 (F) Make payments on leases payable from allocated tax  
 26 proceeds in that allocation area under section 17.1 of this  
 27 chapter.  
 28 (G) Reimburse the consolidated city for expenditures for  
 29 local public improvements (which include buildings,  
 30 parking facilities, and other items set forth in section 17 of  
 31 this chapter) that are physically located in or physically  
 32 connected to that allocation area.  
 33 (H) Reimburse the unit for rentals paid by it for a building  
 34 or parking facility that is physically located in or physically  
 35 connected to that allocation area under any lease entered  
 36 into under IC 36-1-10.  
 37 (I) Reimburse public and private entities for expenses  
 38 incurred in training employees of industrial facilities that  
 39 are located:  
 40 (i) in the allocation area; and  
 41 (ii) on a parcel of real property that has been classified

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1 as industrial property under the rules of the department  
 2 of local government finance.  
 3 However, the total amount of money spent for this purpose  
 4 in any year may not exceed the total amount of money in the  
 5 allocation fund that is attributable to property taxes paid by  
 6 the industrial facilities described in this clause. The  
 7 reimbursements under this clause must be made within  
 8 three (3) years after the date on which the investments that  
 9 are the basis for the increment financing are made.  
 10 (J) Pay the costs of carrying out an eligible efficiency  
 11 project (as defined in IC 36-9-41-1.5) within the unit that  
 12 established the redevelopment commission. However,  
 13 property tax proceeds may be used under this clause to pay  
 14 the costs of carrying out an eligible efficiency project only  
 15 if those property tax proceeds exceed the amount necessary  
 16 to do the following:  
 17 (i) Make, when due, any payments required under  
 18 clauses (A) through (I), including any payments of  
 19 principal and interest on bonds and other obligations  
 20 payable under this subdivision, any payments of  
 21 premiums under this subdivision on the redemption  
 22 before maturity of bonds, and any payments on leases  
 23 payable under this subdivision.  
 24 (ii) Make any reimbursements required under this  
 25 subdivision.  
 26 (iii) Pay any expenses required under this subdivision.  
 27 (iv) Establish, augment, or restore any debt service  
 28 reserve under this subdivision.  
 29 (K) Expend money and provide financial assistance as  
 30 authorized in section 7(a)(21) of this chapter.  
 31 The special fund may not be used for operating expenses of the  
 32 commission.  
 33 (4) Before June 15 of each year, the commission shall do the  
 34 following:  
 35 (A) Determine the amount, if any, by which the assessed  
 36 value of the taxable property in the allocation area for the  
 37 most recent assessment date minus the base assessed value,  
 38 when multiplied by the estimated tax rate of the allocation  
 39 area will exceed the amount of assessed value needed to  
 40 provide the property taxes necessary to make, when due,  
 41 principal and interest payments on bonds described in

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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

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- 1                   hundred percent (200%) of the amount of allocated tax  
 2                   proceeds necessary to make, when due, principal and  
 3                   interest payments on bonds described in subdivision  
 4                   (3); plus  
 5                   (ii) the amount necessary for other purposes described  
 6                   in subdivision (3) and subsection (g);  
 7                   the commission shall submit to the legislative body of the  
 8                   unit the commission's determination of the excess assessed  
 9                   value that the commission proposes to allocate to the  
 10                   respective taxing units in the manner prescribed in  
 11                   subdivision (1). The legislative body of the unit may  
 12                   approve the commission's determination or modify the  
 13                   amount of the excess assessed value that will be allocated  
 14                   to the respective taxing units in the manner prescribed in  
 15                   subdivision (1).
- 16                   (c) For the purpose of allocating taxes levied by or for any taxing  
 17                   unit or units, the assessed value of taxable property in a territory in the  
 18                   allocation area that is annexed by any taxing unit after the effective  
 19                   date of the allocation provision of the resolution is the lesser of:  
 20                   (1) the assessed value of the property for the assessment date  
 21                   with respect to which the allocation and distribution is made; or  
 22                   (2) the base assessed value.
- 23                   (d) Property tax proceeds allocable to the redevelopment district  
 24                   under subsection (b)(3) may, subject to subsection (b)(4), be  
 25                   irrevocably pledged by the redevelopment district for payment as set  
 26                   forth in subsection (b)(3).
- 27                   (e) Notwithstanding any other law, each assessor shall, upon  
 28                   petition of the commission, reassess the taxable property situated upon  
 29                   or in, or added to, the allocation area, effective on the next assessment  
 30                   date after the petition.
- 31                   (f) Notwithstanding any other law, the assessed value of all taxable  
 32                   property in the allocation area, for purposes of tax limitation, property  
 33                   tax replacement, and formulation of the budget, tax rate, and tax levy  
 34                   for each political subdivision in which the property is located is the  
 35                   lesser of:  
 36                   (1) the assessed value of the property as valued without regard  
 37                   to this section; or  
 38                   (2) the base assessed value.
- 39                   (g) If any part of the allocation area is located in an enterprise zone  
 40                   created under IC 5-28-15, the unit that designated the allocation area  
 41                   shall create funds as specified in this subsection. A unit that has

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1 obligations, bonds, or leases payable from allocated tax proceeds under  
 2 subsection (b)(3) shall establish an allocation fund for the purposes  
 3 specified in subsection (b)(3) and a special zone fund. Such a unit  
 4 shall, until the end of the enterprise zone phase out period, deposit each  
 5 year in the special zone fund the amount in the allocation fund derived  
 6 from property tax proceeds in excess of those described in subsection  
 7 (b)(1) and (b)(2) from property located in the enterprise zone that  
 8 exceeds the amount sufficient for the purposes specified in subsection  
 9 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 10 payable from allocated tax proceeds under subsection (b)(3) shall  
 11 establish a special zone fund and deposit all the property tax proceeds  
 12 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 13 derived from property tax proceeds in excess of those described in  
 14 subsection (b)(1) and (b)(2) from property located in the enterprise  
 15 zone. The unit that creates the special zone fund shall use the fund,  
 16 based on the recommendations of the urban enterprise association, for  
 17 one (1) or more of the following purposes:

18 (1) To pay for programs in job training, job enrichment, and  
 19 basic skill development designed to benefit residents and  
 20 employers in the enterprise zone. The programs must reserve at  
 21 least one-half (1/2) of the enrollment in any session for residents  
 22 of the enterprise zone.

23 (2) To make loans and grants for the purpose of stimulating  
 24 business activity in the enterprise zone or providing employment  
 25 for enterprise zone residents in the enterprise zone. These loans  
 26 and grants may be made to the following:

27 (A) Businesses operating in the enterprise zone.

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

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

36 (h) The state board of accounts and department of local  
 37 government finance shall make the rules and prescribe the forms and  
 38 procedures that they consider expedient for the implementation of this  
 39 chapter. After each reassessment under a reassessment plan prepared  
 40 under IC 6-1.1-4-4.2, the ~~department of local government finance~~  
 41 **county auditor shall, on forms prescribed by the department of**

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1 **local government finance**, adjust the base assessed value one (1) time  
 2 to neutralize any effect of the reassessment of the real property in the  
 3 area on the property tax proceeds allocated to the redevelopment  
 4 district under this section. After each annual adjustment under  
 5 IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county**  
 6 **auditor** shall, **on forms prescribed by the department of local**  
 7 **government finance**, adjust the base assessed value to neutralize any  
 8 effect of the annual adjustment on the property tax proceeds allocated  
 9 to the redevelopment district under this section. However, the  
 10 adjustments under this subsection may not include the effect of  
 11 property tax abatements under IC 6-1.1-12.1, and these adjustments  
 12 may not produce less property tax proceeds allocable to the  
 13 redevelopment district under subsection (b)(3) than would otherwise  
 14 have been received if the reassessment under the reassessment plan or  
 15 annual adjustment had not occurred. ~~The department of local~~  
 16 ~~government finance may prescribe procedures for county and township~~  
 17 ~~officials to follow to assist the department in making the adjustments.~~  
 18 **The county auditor shall, in the manner prescribed by the**  
 19 **department of local government finance, submit the forms**  
 20 **required by this subsection to the department of local government**  
 21 **finance no later than July 15 of each year. If the county auditor**  
 22 **fails to submit the forms by the deadline under this subsection, the**  
 23 **county auditor shall allocate five percent (5%) of the assessed**  
 24 **value in the allocation area that is used to calculate the allocation**  
 25 **and distribution of allocated tax proceeds under this section to the**  
 26 **respective taxing units. However, if the commission notifies the**  
 27 **county auditor and the department of local government finance, no**  
 28 **later than July 15, that it is unable to meet its debt service**  
 29 **obligations with regard to the allocation area without all or part of**  
 30 **the allocated tax proceeds attributed to the assessed value that has**  
 31 **been allocated to the respective taxing units, then the county**  
 32 **auditor may not allocate five percent (5%) of the assessed value in**  
 33 **the allocation area that is used to calculate the allocation and**  
 34 **distribution of allocated tax proceeds under this section to the**  
 35 **respective taxing units.**

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

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

39 (2) Subject to subdivision (3), the initial allocation deadline and  
 40 subsequent allocation deadlines are automatically extended in  
 41 increments of five (5) years, so that allocation deadlines  
 42 subsequent to the initial allocation deadline fall on December 31,

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1           2016, and December 31 of each fifth year thereafter.  
2           (3) At least one (1) year before the date of an allocation deadline  
3           determined under subdivision (2), the general assembly may  
4           enact a law that:  
5                 (A) terminates the automatic extension of allocation  
6                 deadlines under subdivision (2); and  
7                 (B) specifically designates a particular date as the final  
8                 allocation deadline.  
9           (j) If the commission adopts a declaratory resolution or an  
10          amendment to a declaratory resolution that contains an allocation  
11          provision and the commission makes either of the filings required  
12          under section 10(e) of this chapter after the first anniversary of the  
13          effective date of the allocation provision, the auditor of the county in  
14          which the unit is located shall compute the base assessed value for the  
15          allocation area using the assessment date immediately preceding the  
16          later of:  
17                 (1) the date on which the documents are filed with the county  
18                 auditor; or  
19                 (2) the date on which the documents are filed with the  
20                 department of local government finance.  
21          (k) For an allocation area established after June 30, 2024,  
22          "residential property" refers to the assessed value of property that is  
23          allocated to the one percent (1%) homestead land and improvement  
24          categories in the county tax and billing software system, along with the  
25          residential assessed value as defined for purposes of calculating the  
26          rate for the local income tax property tax relief credit designated for  
27          residential property under IC 6-3.6-5-6(d)(3) (before its expiration).  
28          SECTION 53. IC 36-7-15.1-35, AS AMENDED BY  
29          P.L.257-2019, SECTION 128, IS AMENDED TO READ AS  
30          FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 35. (a) Notwithstanding  
31          section 26(a) of this chapter, with respect to the allocation and  
32          distribution of property taxes for the accomplishment of a program  
33          adopted under section 32 of this chapter, "base assessed value" means,  
34          subject to section 26(j) of this chapter, the net assessed value of all of  
35          the land as finally determined for the assessment date immediately  
36          preceding the effective date of the allocation provision, as adjusted  
37          under section 26(h) of this chapter. However, "base assessed value"  
38          does not include the value of real property improvements to the land.  
39          (b) The special fund established under section 26(b) of this chapter  
40          for the allocation area for a program adopted under section 32 of this  
41          chapter may be used only for purposes related to the accomplishment

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- 1 of the program, including the following:
- 2 (1) The construction, rehabilitation, or repair of residential units
- 3 within the allocation area.
- 4 (2) The construction, reconstruction, or repair of infrastructure
- 5 (such as streets, sidewalks, and sewers) within or serving the
- 6 allocation area.
- 7 (3) The acquisition of real property and interests in real property
- 8 within the allocation area.
- 9 (4) The demolition of real property within the allocation area.
- 10 (5) To provide financial assistance to enable individuals and
- 11 families to purchase or lease residential units within the
- 12 allocation area. However, financial assistance may be provided
- 13 only to those individuals and families whose income is at or
- 14 below the county's median income for individuals and families,
- 15 respectively.
- 16 (6) To provide financial assistance to neighborhood development
- 17 corporations to permit them to provide financial assistance for
- 18 the purposes described in subdivision (5).
- 19 (7) For property taxes first due and payable before 2009, to
- 20 provide each taxpayer in the allocation area a credit for property
- 21 tax replacement as determined under subsections (c) and (d).
- 22 However, this credit may be provided by the commission only if
- 23 the city-county legislative body establishes the credit by
- 24 ordinance adopted in the year before the year in which the credit
- 25 is provided.
- 26 (c) The maximum credit that may be provided under subsection
- 27 (b)(7) to a taxpayer in a taxing district that contains all or part of an
- 28 allocation area established for a program adopted under section 32 of
- 29 this chapter shall be determined as follows:
- 30 STEP ONE: Determine that part of the sum of the amounts
- 31 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
- 32 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
- 33 attributable to the taxing district.
- 34 STEP TWO: Divide:
- 35 (A) that part of each county's eligible property tax
- 36 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 37 repeal)) for that year as determined under
- 38 IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to
- 39 the taxing district; by
- 40 (B) the amount determined under STEP ONE.
- 41 STEP THREE: Multiply:

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

6 (d) Except as provided in subsection (g), the commission may  
 7 determine to grant to taxpayers in an allocation area from its allocation  
 8 fund a credit under this section, as calculated under subsection (c), by  
 9 applying one-half (1/2) of the credit to each installment of taxes (as  
 10 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9  
 11 are due and payable in a year. Except as provided in subsection (g),  
 12 one-half (1/2) of the credit shall be applied to each installment of taxes  
 13 (as defined in IC 6-1.1-21-2 (before its repeal)). 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
- 17 allocation fund, based upon historical collection rates, after
- 18 granting the credit will equal the amounts payable for
- 19 contractual obligations from the fund, plus ten percent (10%) of
- 20 those amounts.
- 21 (2) If bonds payable from the fund are outstanding, that there is
- 22 a debt service reserve for the bonds that at least equals the
- 23 amount of the credit to be granted.
- 24 (3) If bonds of a lessor under section 17.1 of this chapter or
- 25 under IC 36-1-10 are outstanding and if lease rentals are payable
- 26 from the fund, that there is a debt service reserve for those bonds
- 27 that at least equals the amount of the credit to be granted.

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

30 (e) Notwithstanding section 26(b) of this chapter, the special fund  
 31 established under section 26(b) of this chapter for the allocation area  
 32 for a program adopted under section 32 of this chapter may only be  
 33 used to do one (1) or more of the following:

- 34 (1) Accomplish one (1) or more of the actions set forth in section
- 35 26(b)(3)(A) through 26(b)(3)(H) of this chapter.
- 36 (2) Reimburse the consolidated city for expenditures made by
- 37 the city in order to accomplish the housing program in that
- 38 allocation area.

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

41 (f) Notwithstanding section 26(b) of this chapter, the commission

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1 shall, relative to the special fund established under section 26(b) of this  
 2 chapter for an allocation area for a program adopted under section 32  
 3 of this chapter, do the following before June 15 of each year:

4 (1) Determine the amount, if any, by which the assessed value of  
 5 the taxable property in the allocation area, when multiplied by  
 6 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 26(b)(2) of  
 10 this chapter;

11 (B) make, when due, principal and interest payments on  
 12 bonds described in section 26(b)(3) of this chapter;

13 (C) pay the amount necessary for other purposes described  
 14 in section 26(b)(3) of this chapter; and

15 (D) reimburse the consolidated city for anticipated  
 16 expenditures described in subsection (e)(2).

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

23 (A) state the amount, if any, of excess assessed value that  
 24 the commission has determined may be allocated to the  
 25 respective taxing units in the manner prescribed in section  
 26 26(b)(1) of this chapter; or

27 (B) state that the commission has determined that there is  
 28 no excess assessed value that may be allocated to the  
 29 respective taxing units in the manner prescribed in section  
 30 26(b)(1) of this chapter.

31 The county auditor shall allocate to the respective taxing units  
 32 the amount, if any, of excess assessed value determined by the  
 33 commission. **If a commission fails to provide the notice under  
 34 this subdivision, the county auditor shall allocate five percent  
 35 (5%) of the assessed value in the allocation area that is used  
 36 to calculate the allocation and distribution of allocated tax  
 37 proceeds under this section to the respective taxing units.  
 38 However, if the commission notifies the county auditor and  
 39 the department of local government finance, no later than  
 40 July 15, that it is unable to meet its debt service obligations  
 41 with regard to the allocation area without all or part of the  
 42 allocated tax proceeds attributed to the assessed value that**

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1           **has been allocated to the respective taxing units, then the**  
 2           **county auditor may not allocate five percent (5%) of the**  
 3           **assessed value in the allocation area that is used to calculate**  
 4           **the allocation and distribution of allocated tax proceeds**  
 5           **under this section to the respective taxing units.**

6           (g) This subsection applies to an allocation area only to the extent  
 7           that the net assessed value of property that is assessed as residential  
 8           property under the rules of the department of local government finance  
 9           is not included in the base assessed value. If property tax installments  
 10          with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its  
 11          repeal)) are due in installments established by the department of local  
 12          government finance under IC 6-1.1-22-9.5, each taxpayer subject to  
 13          those installments in an allocation area is entitled to an additional  
 14          credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2  
 15          (before its repeal)) due in installments. The credit shall be applied in  
 16          the same proportion to each installment of taxes (as defined in  
 17          IC 6-1.1-21-2 (before its repeal)).

18          SECTION 54. IC 36-7-15.1-53, AS AMENDED BY  
 19          P.L.174-2022, SECTION 73, IS AMENDED TO READ AS  
 20          FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 53. (a) As used in this  
 21          section:

22                 "Allocation area" means that part of a redevelopment project area  
 23                 to which an allocation provision of a resolution adopted under section  
 24                 40 of this chapter refers for purposes of distribution and allocation of  
 25                 property taxes.

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

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

31                         (2) to the extent that it is not included in subdivision (1), the net  
 32                         assessed value of property that is assessed as residential property  
 33                         under the rules of the department of local government finance,  
 34                         as finally determined for the current assessment date.

35                 Except as provided in section 55 of this chapter, "property taxes"  
 36                 means taxes imposed under IC 6-1.1 on real property.

37                 (b) A resolution adopted under section 40 of this chapter on or  
 38                 before the allocation deadline determined under subsection (i) may  
 39                 include a provision with respect to the allocation and distribution of  
 40                 property taxes for the purposes and in the manner provided in this  
 41                 section. A resolution previously adopted may include an allocation  
 42                 provision by the amendment of that resolution on or before the



1 allocation deadline determined under subsection (i) in accordance with  
 2 the procedures required for its original adoption. A declaratory  
 3 resolution or an amendment that establishes an allocation provision  
 4 must be approved by resolution of the legislative body of the excluded  
 5 city and must specify an expiration date for the allocation provision.  
 6 For an allocation area established before July 1, 2008, the expiration  
 7 date may not be more than thirty (30) years after the date on which the  
 8 allocation provision is established. For an allocation area established  
 9 after June 30, 2008, the expiration date may not be more than  
 10 twenty-five (25) years after the date on which the first obligation was  
 11 incurred to pay principal and interest on bonds or lease rentals on  
 12 leases payable from tax increment revenues. However, with respect to  
 13 bonds or other obligations that were issued before July 1, 2008, if any  
 14 of the bonds or other obligations that were scheduled when issued to  
 15 mature before the specified expiration date and that are payable only  
 16 from allocated tax proceeds with respect to the allocation area remain  
 17 outstanding as of the expiration date, the allocation provision does not  
 18 expire until all of the bonds or other obligations are no longer  
 19 outstanding. The allocation provision may apply to all or part of the  
 20 redevelopment project area. The allocation provision must require that  
 21 any property taxes subsequently levied by or for the benefit of any  
 22 public body entitled to a distribution of property taxes on taxable  
 23 property in the allocation area be allocated and distributed as follows:

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

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

29 (B) the base assessed value;

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

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

40 (3) Except as otherwise provided in this section, property tax  
 41 proceeds in excess of those described in subdivisions (1) and (2)

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

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

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

12 (C) Pay the principal of and interest on bonds payable from  
 13 allocated tax proceeds in that allocation area and from the  
 14 special tax levied under section 50 of this chapter.

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

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

22 (F) Make payments on leases payable from allocated tax  
 23 proceeds in that allocation area under section 46 of this  
 24 chapter.

25 (G) Reimburse the excluded city for expenditures for local  
 26 public improvements (which include buildings, park  
 27 facilities, and other items set forth in section 45 of this  
 28 chapter) that are physically located in or physically  
 29 connected to that allocation area.

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

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

37 (i) in the allocation area; and  
 38 (ii) on a parcel of real property that has been classified  
 39 as industrial property under the rules of the department  
 40 of local government finance.

41 However, the total amount of money spent for this purpose

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1 in any year may not exceed the total amount of money in the  
 2 allocation fund that is attributable to property taxes paid by  
 3 the industrial facilities described in this clause. The  
 4 reimbursements under this clause must be made within  
 5 three (3) years after the date on which the investments that  
 6 are the basis for the increment financing are made.  
 7 The special fund may not be used for operating expenses of the  
 8 commission.  
 9 (4) Before June 15 of each year, the commission shall do the  
 10 following:  
 11 (A) Determine the amount, if any, by which the assessed  
 12 value of the taxable property in the allocation area for the  
 13 most recent assessment date minus the base assessed value,  
 14 when multiplied by the estimated tax rate of the allocation  
 15 area, will exceed the amount of assessed value needed to  
 16 provide the property taxes necessary to make, when due,  
 17 principal and interest payments on bonds described in  
 18 subdivision (3) plus the amount necessary for other  
 19 purposes described in subdivision (3) and subsection (g).  
 20 (B) Provide a written notice to the county auditor, the fiscal  
 21 body of the county or municipality that established the  
 22 department of redevelopment, the officers who are  
 23 authorized to fix budgets, tax rates, and tax levies under  
 24 IC 6-1.1-17-5 for each of the other taxing units that is  
 25 wholly or partly located within the allocation area, and (in  
 26 an electronic format) the department of local government  
 27 finance. The notice must:  
 28 (i) state the amount, if any, of excess assessed value  
 29 that the commission has determined may be allocated  
 30 to the respective taxing units in the manner prescribed  
 31 in subdivision (1); or  
 32 (ii) state that the commission has determined that there  
 33 is no excess assessed value that may be allocated to the  
 34 respective taxing units in the manner prescribed in  
 35 subdivision (1).  
 36 The county auditor shall allocate to the respective taxing  
 37 units the amount, if any, of excess assessed value  
 38 determined by the commission. The commission may not  
 39 authorize an allocation to the respective taxing units under  
 40 this subdivision if to do so would endanger the interests of  
 41 the holders of bonds described in subdivision (3). **If a**

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1                   **commission fails to provide the notice under this clause,**  
 2                   **the county auditor shall allocate five percent (5%) of the**  
 3                   **assessed value in the allocation area that is used to**  
 4                   **calculate the allocation and distribution of allocated tax**  
 5                   **proceeds under this section to the respective taxing**  
 6                   **units. However, if the commission notifies the county**  
 7                   **auditor and the department of local government finance,**  
 8                   **no later than July 15, that it is unable to meet its debt**  
 9                   **service obligations with regard to the allocation area**  
 10                   **without all or part of the allocated tax proceeds**  
 11                   **attributed to the assessed value that has been allocated**  
 12                   **to the respective taxing units, then the county auditor**  
 13                   **may not allocate five percent (5%) of the assessed value**  
 14                   **in the allocation area that is used to calculate the**  
 15                   **allocation and distribution of allocated tax proceeds**  
 16                   **under this section to the respective taxing units.**

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

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

24                   (d) Property tax proceeds allocable to the redevelopment district  
 25                   under subsection (b)(3) may, subject to subsection (b)(4), be  
 26                   irrevocably pledged by the redevelopment district for payment as set  
 27                   forth in subsection (b)(3).

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

32                   (f) Notwithstanding any other law, the assessed value of all taxable  
 33                   property in the allocation area, for purposes of tax limitation, property  
 34                   tax replacement, and formulation of the budget, tax rate, and tax levy  
 35                   for each political subdivision in which the property is located, is the  
 36                   lesser of:

- 37                   (1) the assessed value of the property as valued without regard
- 38                   to this section; or
- 39                   (2) the base assessed value.

40                   (g) If any part of the allocation area is located in an enterprise zone  
 41                   created under IC 5-28-15, the unit that designated the allocation area  
 42                   shall create funds as specified in this subsection. A unit that has

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1 obligations, bonds, or leases payable from allocated tax proceeds under  
 2 subsection (b)(3) shall establish an allocation fund for the purposes  
 3 specified in subsection (b)(3) and a special zone fund. Such a unit  
 4 shall, until the end of the enterprise zone phase out period, deposit each  
 5 year in the special zone fund the amount in the allocation fund derived  
 6 from property tax proceeds in excess of those described in subsection  
 7 (b)(1) and (b)(2) from property located in the enterprise zone that  
 8 exceeds the amount sufficient for the purposes specified in subsection  
 9 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 10 payable from allocated tax proceeds under subsection (b)(3) shall  
 11 establish a special zone fund and deposit all the property tax proceeds  
 12 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 13 derived from property tax proceeds in excess of those described in  
 14 subsection (b)(1) and (b)(2) from property located in the enterprise  
 15 zone. The unit that creates the special zone fund shall use the fund,  
 16 based on the recommendations of the urban enterprise association, for  
 17 one (1) or more of the following purposes:

18 (1) To pay for programs in job training, job enrichment, and  
 19 basic skill development designed to benefit residents and  
 20 employers in the enterprise zone. The programs must reserve at  
 21 least one-half (1/2) of the enrollment in any session for residents  
 22 of the enterprise zone.

23 (2) To make loans and grants for the purpose of stimulating  
 24 business activity in the enterprise zone or providing employment  
 25 for enterprise zone residents in an enterprise zone. These loans  
 26 and grants may be made to the following:

27 (A) Businesses operating in the enterprise zone.

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

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

36 (h) The state board of accounts and department of local  
 37 government finance shall make the rules and prescribe the forms and  
 38 procedures that they consider expedient for the implementation of this  
 39 chapter. After each reassessment of real property in an area under a  
 40 county's reassessment plan prepared under IC 6-1.1-4-4.2, the  
 41 ~~department of local government finance~~ **county auditor** shall, **on**

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1 **forms prescribed by the department of local government finance,**  
 2 adjust the base assessed value one (1) time to neutralize any effect of  
 3 the reassessment of the real property in the area on the property tax  
 4 proceeds allocated to the redevelopment district under this section.  
 5 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~  
 6 ~~local government finance~~ **county auditor shall, on forms prescribed**  
 7 **by the department of local government finance,** adjust the base  
 8 assessed value to neutralize any effect of the annual adjustment on the  
 9 property tax proceeds allocated to the redevelopment district under this  
 10 section. However, the adjustments under this subsection may not  
 11 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 12 these adjustments may not produce less property tax proceeds allocable  
 13 to the redevelopment district under subsection (b)(3) than would  
 14 otherwise have been received if the reassessment under the county's  
 15 reassessment plan or annual adjustment had not occurred. ~~The~~  
 16 ~~department of local government finance may prescribe procedures for~~  
 17 ~~county and township officials to follow to assist the department in~~  
 18 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 19 **prescribed by the department of local government finance, submit**  
 20 **the forms required by this subsection to the department of local**  
 21 **government finance no later than July 15 of each year. If the**  
 22 **county auditor fails to submit the forms by the deadline under this**  
 23 **subsection, the county auditor shall allocate five percent (5%) of**  
 24 **the assessed value in the allocation area that is used to calculate the**  
 25 **allocation and distribution of allocated tax proceeds under this**  
 26 **section to the respective taxing units. However, if the commission**  
 27 **notifies the county auditor and the department of local government**  
 28 **finance, no later than July 15, that it is unable to meet its debt**  
 29 **service obligations with regard to the allocation area without all or**  
 30 **part of the allocated tax proceeds attributed to the assessed value**  
 31 **that has been allocated to the respective taxing units, then the**  
 32 **county auditor may not allocate five percent (5%) of the assessed**  
 33 **value in the allocation area that is used to calculate the allocation**  
 34 **and distribution of allocated tax proceeds under this section to the**  
 35 **respective taxing units.**

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

- 38 (1) The initial allocation deadline is December 31, 2011.
- 39 (2) Subject to subdivision (3), the initial allocation deadline and
- 40 subsequent allocation deadlines are automatically extended in
- 41 increments of five (5) years, so that allocation deadlines
- 42 subsequent to the initial allocation deadline fall on December 31,

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1           2016, and December 31 of each fifth year thereafter.  
2           (3) At least one (1) year before the date of an allocation deadline  
3           determined under subdivision (2), the general assembly may  
4           enact a law that:  
5                 (A) terminates the automatic extension of allocation  
6                 deadlines under subdivision (2); and  
7                 (B) specifically designates a particular date as the final  
8                 allocation deadline.  
9           (j) If the commission adopts a declaratory resolution or an  
10          amendment to a declaratory resolution that contains an allocation  
11          provision and the commission makes either of the filings required  
12          under section 10(e) of this chapter after the first anniversary of the  
13          effective date of the allocation provision, the auditor of the county in  
14          which the unit is located shall compute the base assessed value for the  
15          allocation area using the assessment date immediately preceding the  
16          later of:  
17                 (1) the date on which the documents are filed with the county  
18                 auditor; or  
19                 (2) the date on which the documents are filed with the  
20                 department of local government finance.  
21          (k) For an allocation area established after June 30, 2024,  
22          "residential property" refers to the assessed value of property that is  
23          allocated to the one percent (1%) homestead land and improvement  
24          categories in the county tax and billing software system, along with the  
25          residential assessed value as defined for purposes of calculating the  
26          rate for the local income tax property tax relief credit designated for  
27          residential property under IC 6-3.6-5-6(d)(3).  
28          SECTION 55. IC 36-7-15.1-53, AS AMENDED BY P.L.68-2025,  
29          SECTION 236, IS AMENDED TO READ AS FOLLOWS  
30          [EFFECTIVE JULY 1, 2027]: Sec. 53. (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                 40 of this chapter refers for purposes of distribution and allocation of  
34                 property taxes.  
35                 "Base assessed value" means, subject to subsection (j):  
36                         (1) the net assessed value of all the property as finally  
37                         determined for the assessment date immediately preceding the  
38                         effective date of the allocation provision of the declaratory  
39                         resolution, as adjusted under subsection (h); plus  
40                         (2) to the extent that it is not included in subdivision (1), the net  
41                         assessed value of property that is assessed as residential property

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1 under the rules of the department of local government finance,  
 2 as finally determined for the current assessment date.  
 3 Except as provided in section 55 of this chapter, "property taxes"  
 4 means taxes imposed under IC 6-1.1 on real property.  
 5 (b) A resolution adopted under section 40 of this chapter on or  
 6 before the allocation deadline determined under subsection (i) may  
 7 include a provision with respect to the allocation and distribution of  
 8 property taxes for the purposes and in the manner provided in this  
 9 section. A resolution previously adopted may include an allocation  
 10 provision by the amendment of that resolution on or before the  
 11 allocation deadline determined under subsection (i) in accordance with  
 12 the procedures required for its original adoption. A declaratory  
 13 resolution or an amendment that establishes an allocation provision  
 14 must be approved by resolution of the legislative body of the excluded  
 15 city and must specify an expiration date for the allocation provision.  
 16 For an allocation area established before July 1, 2008, the expiration  
 17 date may not be more than thirty (30) years after the date on which the  
 18 allocation provision is established. For an allocation area established  
 19 after June 30, 2008, the expiration date may not be more than  
 20 twenty-five (25) years after the date on which the first obligation was  
 21 incurred to pay principal and interest on bonds or lease rentals on  
 22 leases payable from tax increment revenues. However, with respect to  
 23 bonds or other obligations that were issued before July 1, 2008, if any  
 24 of the bonds or other obligations that were scheduled when issued to  
 25 mature before the specified expiration date and that are payable only  
 26 from allocated tax proceeds with respect to the allocation area remain  
 27 outstanding as of the expiration date, the allocation provision does not  
 28 expire until all of the bonds or other obligations are no longer  
 29 outstanding. The allocation provision may apply to all or part of the  
 30 redevelopment project area. The allocation provision must require that  
 31 any property taxes subsequently levied by or for the benefit of any  
 32 public body entitled to a distribution of property taxes on taxable  
 33 property in the allocation area be allocated and distributed as follows:  
 34 (1) Except as otherwise provided in this section, the proceeds of  
 35 the taxes attributable to the lesser of:  
 36 (A) the assessed value of the property for the assessment  
 37 date with respect to which the allocation and distribution is  
 38 made; or  
 39 (B) the base assessed value;  
 40 shall be allocated to and, when collected, paid into the funds of  
 41 the respective taxing units.

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- 1 (2) The excess of the proceeds of the property taxes imposed for
- 2 the assessment date with respect to which the allocation and
- 3 distribution is made that are attributable to taxes imposed after
- 4 being approved by the voters in a referendum or local public
- 5 question conducted after April 30, 2010, not otherwise included
- 6 in subdivision (1) shall be allocated to and, when collected, paid
- 7 into the funds of the taxing unit for which the referendum or
- 8 local public question was conducted.
- 9 (3) Except as otherwise provided in this section, property tax
- 10 proceeds in excess of those described in subdivisions (1) and (2)
- 11 shall be allocated to the redevelopment district and, when
- 12 collected, paid into a special fund for that allocation area that
- 13 may be used by the redevelopment district only to do one (1) or
- 14 more of the following:
- 15 (A) Pay the principal of and interest on any obligations
- 16 payable solely from allocated tax proceeds that are incurred
- 17 by the redevelopment district for the purpose of financing
- 18 or refinancing the redevelopment of that allocation area.
- 19 (B) Establish, augment, or restore the debt service reserve
- 20 for bonds payable solely or in part from allocated tax
- 21 proceeds in that allocation area.
- 22 (C) Pay the principal of and interest on bonds payable from
- 23 allocated tax proceeds in that allocation area and from the
- 24 special tax levied under section 50 of this chapter.
- 25 (D) Pay the principal of and interest on bonds issued by the
- 26 excluded city to pay for local public improvements that are
- 27 physically located in or physically connected to that
- 28 allocation area.
- 29 (E) Pay premiums on the redemption before maturity of
- 30 bonds payable solely or in part from allocated tax proceeds
- 31 in that allocation area.
- 32 (F) Make payments on leases payable from allocated tax
- 33 proceeds in that allocation area under section 46 of this
- 34 chapter.
- 35 (G) Reimburse the excluded city for expenditures for local
- 36 public improvements (which include buildings, park
- 37 facilities, and other items set forth in section 45 of this
- 38 chapter) that are physically located in or physically
- 39 connected to that allocation area.
- 40 (H) Reimburse the unit for rentals paid by it for a building
- 41 or parking facility that is physically located in or physically

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1 connected to that allocation area under any lease entered  
 2 into under IC 36-1-10.  
 3 (I) Reimburse public and private entities for expenses  
 4 incurred in training employees of industrial facilities that  
 5 are located:  
 6 (i) in the allocation area; and  
 7 (ii) on a parcel of real property that has been classified  
 8 as industrial property under the rules of the department  
 9 of local government finance.  
 10 However, the total amount of money spent for this purpose  
 11 in any year may not exceed the total amount of money in the  
 12 allocation fund that is attributable to property taxes paid by  
 13 the industrial facilities described in this clause. The  
 14 reimbursements under this clause must be made within  
 15 three (3) years after the date on which the investments that  
 16 are the basis for the increment financing are made.  
 17 The special fund may not be used for operating expenses of the  
 18 commission.  
 19 (4) Before June 15 of each year, the commission shall do the  
 20 following:  
 21 (A) Determine the amount, if any, by which the assessed  
 22 value of the taxable property in the allocation area for the  
 23 most recent assessment date minus the base assessed value,  
 24 when multiplied by the estimated tax rate of the allocation  
 25 area, will exceed the amount of assessed value needed to  
 26 provide the property taxes necessary to make, when due,  
 27 principal and interest payments on bonds described in  
 28 subdivision (3) plus the amount necessary for other  
 29 purposes described in subdivision (3) and subsection (g).  
 30 (B) Provide a written notice to the county auditor, the fiscal  
 31 body of the county or municipality that established the  
 32 department of redevelopment, the officers who are  
 33 authorized to fix budgets, tax rates, and tax levies under  
 34 IC 6-1.1-17-5 for each of the other taxing units that is  
 35 wholly or partly located within the allocation area, and (in  
 36 an electronic format) the department of local government  
 37 finance. The notice must:  
 38 (i) state the amount, if any, of excess assessed value  
 39 that the commission has determined may be allocated  
 40 to the respective taxing units in the manner prescribed  
 41 in subdivision (1); or

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

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

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

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

34 (d) Property tax proceeds allocable to the redevelopment district  
35 under subsection (b)(3) may, subject to subsection (b)(4), be  
36 irrevocably pledged by the redevelopment district for payment as set  
37 forth in subsection (b)(3).

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

42 (f) Notwithstanding any other law, the assessed value of all taxable

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1 property in the allocation area, for purposes of tax limitation, property  
 2 tax replacement, and formulation of the budget, tax rate, and tax levy  
 3 for each political subdivision in which the property is located, is the  
 4 lesser of:

- 5 (1) the assessed value of the property as valued without regard  
 6 to this section; or
- 7 (2) the base assessed value.

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

- 28 (1) To pay for programs in job training, job enrichment, and  
 29 basic skill development designed to benefit residents and  
 30 employers in the enterprise zone. The programs must reserve at  
 31 least one-half (1/2) of the enrollment in any session for residents  
 32 of the enterprise zone.
- 33 (2) To make loans and grants for the purpose of stimulating  
 34 business activity in the enterprise zone or providing employment  
 35 for enterprise zone residents in an enterprise zone. These loans  
 36 and grants may be made to the following:
  - 37 (A) Businesses operating in the enterprise zone.
  - 38 (B) Businesses that will move their operations to the  
 39 enterprise zone if such a loan or grant is made.
- 40 (3) To provide funds to carry out other purposes specified in  
 41 subsection (b)(3). However, where reference is made in

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1 subsection (b)(3) to the allocation area, the reference refers, for  
 2 purposes of payments from the special zone fund, only to that  
 3 part of the allocation area that is also located in the enterprise  
 4 zone.

5 (h) The state board of accounts and department of local  
 6 government finance shall make the rules and prescribe the forms and  
 7 procedures that they consider expedient for the implementation of this  
 8 chapter. After each reassessment of real property in an area under a  
 9 county's reassessment plan prepared under IC 6-1.1-4-4.2, the  
 10 ~~department of local government finance~~ **county auditor** shall, **on**  
 11 **forms prescribed by the department of local government finance**,  
 12 adjust the base assessed value one (1) time to neutralize any effect of  
 13 the reassessment of the real property in the area on the property tax  
 14 proceeds allocated to the redevelopment district under this section.  
 15 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~  
 16 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 17 **by the department of local government finance**, adjust the base  
 18 assessed value to neutralize any effect of the annual adjustment on the  
 19 property tax proceeds allocated to the redevelopment district under this  
 20 section. However, the adjustments under this subsection may not  
 21 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 22 these adjustments may not produce less property tax proceeds allocable  
 23 to the redevelopment district under subsection (b)(3) than would  
 24 otherwise have been received if the reassessment under the county's  
 25 reassessment plan or annual adjustment had not occurred. ~~The~~  
 26 ~~department of local government finance~~ may prescribe procedures for  
 27 ~~county and township officials to follow to assist the department in~~  
 28 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 29 **prescribed by the department of local government finance, submit**  
 30 **the forms required by this subsection to the department of local**  
 31 **government finance no later than July 15 of each year. If the**  
 32 **county auditor fails to submit the forms by the deadline under this**  
 33 **subsection, the county auditor shall allocate five percent (5%) of**  
 34 **the assessed value in the allocation area that is used to calculate the**  
 35 **allocation and distribution of allocated tax proceeds under this**  
 36 **section to the respective taxing units. However, if the commission**  
 37 **notifies the county auditor and the department of local government**  
 38 **finance, no later than July 15, that it is unable to meet its debt**  
 39 **service obligations with regard to the allocation area without all or**  
 40 **part of the allocated tax proceeds attributed to the assessed value**  
 41 **that has been allocated to the respective taxing units, then the**  
 42 **county auditor may not allocate five percent (5%) of the assessed**

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1 **value in the allocation area that is used to calculate the allocation**  
2 **and distribution of allocated tax proceeds under this section to the**  
3 **respective taxing units.**

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

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

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

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

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

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

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

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

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

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

38 SECTION 56. IC 36-7-15.1-62, AS AMENDED BY  
39 P.L.257-2019, SECTION 131, IS AMENDED TO READ AS  
40 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding  
41 section 26(a) of this chapter, with respect to the allocation and  
42 distribution of property taxes for the accomplishment of the purposes

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1 of an age-restricted housing program adopted under section 59 of this  
2 chapter, "base assessed value" means, subject to section 26(j) of this  
3 chapter, the net assessed value of all of the property, other than  
4 personal property, as finally determined for the assessment date  
5 immediately preceding the effective date of the allocation provision, as  
6 adjusted under section 26(h) of this chapter.

7 (b) The allocation fund established under section 26(b) of this  
8 chapter for the allocation area for an age-restricted housing program  
9 adopted under section 59 of this chapter may be used only for purposes  
10 related to the accomplishment of the purposes of the program,  
11 including, but not limited to, the following:

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

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

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

19 (4) To do any of the following:

20 (A) Pay the principal of and interest on bonds or any other  
21 obligations payable from allocated tax proceeds in the  
22 allocation area that are incurred by the redevelopment  
23 district for the purpose of financing or refinancing the  
24 age-restricted housing program established under section 59  
25 of this chapter for the allocation area.

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

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

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

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

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

41 (G) Reimburse the unit for expenditures made by the unit

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1 for local public improvements (which include buildings,  
2 parking facilities, and other items described in section 17(a)  
3 of this chapter) that are physically located in or physically  
4 connected to the allocation area.

5 (c) Notwithstanding section 26(b) of this chapter, the commission  
6 shall, relative to the allocation fund established under section 26(b) of  
7 this chapter for an allocation area for an age-restricted housing program  
8 adopted under section 59 of this chapter, do the following before June  
9 15 of each year:

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

16 (A) make the distribution required under section 26(b)(2) of  
17 this chapter;

18 (B) make, when due, principal and interest payments on  
19 bonds described in section 26(b)(3) of this chapter;

20 (C) pay the amount necessary for other purposes described  
21 in section 26(b)(3) of this chapter; and

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

24 (2) Provide a written notice to the county auditor, the fiscal body  
25 of the county or municipality that established the department of  
26 redevelopment, the officers who are authorized to fix budgets,  
27 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
28 taxing units that is wholly or partly located within the allocation  
29 area, and (in an electronic format) the department of local  
30 government finance. The notice must:

31 (A) state the amount, if any, of excess property taxes that  
32 the commission has determined may be paid to the  
33 respective taxing units in the manner prescribed in section  
34 26(b)(1) of this chapter; or

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

39 The county auditor shall allocate to the respective taxing units the  
40 amount, if any, of excess assessed value determined by the  
41 commission. **If a commission fails to provide the notice under**

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

14       SECTION 57. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,  
 15       SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16       JULY 1, 2026]: Sec. 25. (a) The following definitions apply throughout  
 17       this section:

18       (1) "Allocation area" means that part of a military base reuse  
 19       area to which an allocation provision of a declaratory resolution  
 20       adopted under section 10 of this chapter refers for purposes of  
 21       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  
 25       the adoption date of the allocation provision of the  
 26       declaratory resolution, as adjusted under subsection (h);  
 27       plus  
 28       (B) to the extent that it is not included in clause (A) or (C),  
 29       the net assessed value of any and all parcels or classes of  
 30       parcels identified as part of the base assessed value in the  
 31       declaratory resolution or an amendment thereto, as finally  
 32       determined for any subsequent assessment date; plus  
 33       (C) to the extent that it is not included in clause (A) or (B),  
 34       the net assessed value of property that is assessed as  
 35       residential property under the rules of the department of  
 36       local government finance, within the allocation area, as  
 37       finally determined for the current assessment date.

38       Clause (C) applies only to allocation areas established in a  
 39       military reuse area after June 30, 1997, and to the part of an  
 40       allocation area that was established before June 30, 1997, and  
 41       that is added to an existing allocation area after June 30, 1997.

42       (3) "Property taxes" means taxes imposed under IC 6-1.1 on real

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1 property.

2 (b) A declaratory resolution adopted under section 10 of this

3 chapter before the date set forth in IC 36-7-14-39(b) pertaining to

4 declaratory resolutions adopted under IC 36-7-14-15 may include a

5 provision with respect to the allocation and distribution of property

6 taxes for the purposes and in the manner provided in this section. A

7 declaratory resolution previously adopted may include an allocation

8 provision by the amendment of that declaratory resolution in

9 accordance with the procedures set forth in section 13 of this chapter.

10 The allocation provision may apply to all or part of the military base

11 reuse area. The allocation provision must require that any property

12 taxes subsequently levied by or for the benefit of any public body

13 entitled to a distribution of property taxes on taxable property in the

14 allocation area be allocated and distributed as follows:

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

16 the taxes attributable to the lesser of:

17 (A) the assessed value of the property for the assessment

18 date with respect to which the allocation and distribution is

19 made; or

20 (B) the base assessed value;

21 shall be allocated to and, when collected, paid into the funds of

22 the respective taxing units.

23 (2) The excess of the proceeds of the property taxes imposed for

24 the assessment date with respect to which the allocation and

25 distribution are made that are attributable to taxes imposed after

26 being approved by the voters in a referendum or local public

27 question conducted after April 30, 2010, not otherwise included

28 in subdivision (1) shall be allocated to and, when collected, paid

29 into the funds of the taxing unit for which the referendum or

30 local public question was conducted.

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

32 proceeds in excess of those described in subdivisions (1) and (2)

33 shall be allocated to the military base reuse district and, when

34 collected, paid into an allocation fund for that allocation area

35 that may be used by the military base reuse district and only to

36 do one (1) or more of the following:

37 (A) Pay the principal of and interest and redemption

38 premium on any obligations incurred by the military base

39 reuse district or any other entity for the purpose of financing

40 or refinancing military base reuse activities in or directly

41 serving or benefiting that allocation area.

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- 1 (B) Establish, augment, or restore the debt service reserve
- 2 for bonds payable solely or in part from allocated tax
- 3 proceeds in that allocation area or from other revenues of
- 4 the reuse authority, including lease rental revenues.
- 5 (C) Make payments on leases payable solely or in part from
- 6 allocated tax proceeds in that allocation area.
- 7 (D) Reimburse any other governmental body for
- 8 expenditures made for local public improvements (or
- 9 structures) in or directly serving or benefiting that allocation
- 10 area.
- 11 (E) Pay expenses incurred by the reuse authority, any other
- 12 department of the unit, or a department of another
- 13 governmental entity for local public improvements or
- 14 structures that are in the allocation area or directly serving
- 15 or benefiting the allocation area, including expenses for the
- 16 operation and maintenance of these local public
- 17 improvements or structures if the reuse authority determines
- 18 those operation and maintenance expenses are necessary or
- 19 desirable to carry out the purposes of this chapter.
- 20 (F) Reimburse public and private entities for expenses
- 21 incurred in training employees of industrial facilities that
- 22 are located:
  - 23 (i) in the allocation area; and
  - 24 (ii) on a parcel of real property that has been classified
  - 25 as industrial property under the rules of the department
  - 26 of local government finance.
- 27 However, the total amount of money spent for this purpose
- 28 in any year may not exceed the total amount of money in the
- 29 allocation fund that is attributable to property taxes paid by
- 30 the industrial facilities described in this clause. The
- 31 reimbursements under this clause must be made not more
- 32 than three (3) years after the date on which the investments
- 33 that are the basis for the increment financing are made.
- 34 (G) Expend money and provide financial assistance as
- 35 authorized in section 9(a)(25) of this chapter.
- 36 Except as provided in clause (E), the allocation fund may not be
- 37 used for operating expenses of the reuse authority.
- 38 (4) Except as provided in subsection (g), before July 15 of each
- 39 year the reuse authority shall do the following:
  - 40 (A) Determine the amount, if any, by which property taxes
  - 41 payable to the allocation fund in the following year will

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1 exceed the amount of property taxes necessary to make,  
 2 when due, principal and interest payments on bonds  
 3 described in subdivision (3) plus the amount necessary for  
 4 other purposes described in subdivision (3).  
 5 (B) Provide a written notice to the county auditor, the fiscal  
 6 body of the unit that established the reuse authority, and the  
 7 officers who are authorized to fix budgets, tax rates, and tax  
 8 levies under IC 6-1.1-17-5 for each of the other taxing units  
 9 that is wholly or partly located within the allocation area.  
 10 The notice must:  
 11 (i) state the amount, if any, of excess property taxes  
 12 that the reuse authority has determined may be paid to  
 13 the respective taxing units in the manner prescribed in  
 14 subdivision (1); or  
 15 (ii) state that the reuse authority has determined that  
 16 there are no excess property tax proceeds that may be  
 17 allocated to the respective taxing units in the manner  
 18 prescribed in subdivision (1).  
 19 The county auditor shall allocate to the respective taxing  
 20 units the amount, if any, of excess property tax proceeds  
 21 determined by the reuse authority. The reuse authority may  
 22 not authorize a payment to the respective taxing units under  
 23 this subdivision if to do so would endanger the interest of  
 24 the holders of bonds described in subdivision (3) or lessors  
 25 under section 19 of this chapter.  
 26 (c) For the purpose of allocating taxes levied by or for any taxing  
 27 unit or units, the assessed value of taxable property in a territory in the  
 28 allocation area that is annexed by a taxing unit after the effective date  
 29 of the allocation provision of the declaratory resolution is the lesser of:  
 30 (1) the assessed value of the property for the assessment date  
 31 with respect to which the allocation and distribution is made; or  
 32 (2) the base assessed value.  
 33 (d) Property tax proceeds allocable to the military base reuse  
 34 district under subsection (b)(3) may, subject to subsection (b)(4), be  
 35 irrevocably pledged by the military base reuse district for payment as  
 36 set forth in subsection (b)(3).  
 37 (e) Notwithstanding any other law, each assessor shall, upon  
 38 petition of the reuse authority, reassess the taxable property situated  
 39 upon or in or added to the allocation area, effective on the next  
 40 assessment date after the petition.  
 41 (f) Notwithstanding any other law, the assessed value of all taxable

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1 property in the allocation area, for purposes of tax limitation, property  
2 tax replacement, and the making of the budget, tax rate, and tax levy  
3 for each political subdivision in which the property is located is the  
4 lesser of:

- 5 (1) the assessed value of the property as valued without regard
- 6 to this section; or
- 7 (2) the base assessed value.

8 (g) If any part of the allocation area is located in an enterprise zone  
9 created under IC 5-28-15, the unit that designated the allocation area  
10 shall create funds as specified in this subsection. A unit that has  
11 obligations, bonds, or leases payable from allocated tax proceeds under  
12 subsection (b)(3) shall establish an allocation fund for the purposes  
13 specified in subsection (b)(3) and a special zone fund. Such a unit  
14 shall, until the end of the enterprise zone phase out period, deposit each  
15 year in the special zone fund any amount in the allocation fund derived  
16 from property tax proceeds in excess of those described in subsection  
17 (b)(1) and (b)(2) from property located in the enterprise zone that  
18 exceeds the amount sufficient for the purposes specified in subsection  
19 (b)(3) for the year. The amount sufficient for purposes specified in  
20 subsection (b)(3) for the year shall be determined based on the pro rata  
21 part of such current property tax proceeds from the part of the  
22 enterprise zone that is within the allocation area as compared to all  
23 such current property tax proceeds derived from the allocation area. A  
24 unit that does not have obligations, bonds, or leases payable from  
25 allocated tax proceeds under subsection (b)(3) shall establish a special  
26 zone fund and deposit all the property tax proceeds in excess of those  
27 described in subsection (b)(1) and (b)(2) that are derived from property  
28 in the enterprise zone in the fund. The unit that creates the special zone  
29 fund shall use the fund (based on the recommendations of the urban  
30 enterprise association) for programs in job training, job enrichment,  
31 and basic skill development that are designed to benefit residents and  
32 employers in the enterprise zone or other purposes specified in  
33 subsection (b)(3), except that where reference is made in subsection  
34 (b)(3) to allocation area it shall refer for purposes of payments from the  
35 special zone fund only to that part of the allocation area that is also  
36 located in the enterprise zone. The programs shall reserve at least  
37 one-half (1/2) of their enrollment in any session for residents of the  
38 enterprise zone.

39 (h) After each reassessment of real property in an area under the  
40 county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of~~  
41 ~~local government finance~~ **county auditor** shall, **on forms prescribed**

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1 **by the department of local government finance**, adjust the base  
 2 assessed value one (1) time to neutralize any effect of the reassessment  
 3 of the real property in the area on the property tax proceeds allocated  
 4 to the military base reuse district under this section. After each annual  
 5 adjustment under IC 6-1.1-4-4.5, ~~the department of local government~~  
 6 **finance county auditor shall, on forms prescribed by the**  
 7 **department of local government finance**, adjust the base assessed  
 8 value to neutralize any effect of the annual adjustment on the property  
 9 tax proceeds allocated to the military base reuse district under this  
 10 section. However, the adjustments under this subsection may not  
 11 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 12 these adjustments may not produce less property tax proceeds allocable  
 13 to the military base reuse district under subsection (b)(3) than would  
 14 otherwise have been received if the reassessment under the county's  
 15 reassessment plan or annual adjustment had not occurred. ~~The~~  
 16 ~~department of local government finance may prescribe procedures for~~  
 17 ~~county and township officials to follow to assist the department in~~  
 18 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 19 **prescribed by the department of local government finance, submit**  
 20 **the forms required by this subsection to the department of local**  
 21 **government finance no later than July 15 of each year. If the**  
 22 **county auditor fails to submit the forms by the deadline under this**  
 23 **subsection, the county auditor shall allocate five percent (5%) of**  
 24 **the assessed value in the allocation area that is used to calculate the**  
 25 **allocation and distribution of allocated tax proceeds under this**  
 26 **section to the respective taxing units. However, if the reuse**  
 27 **authority notifies the county auditor and the department of local**  
 28 **government finance, no later than July 15, that it is unable to meet**  
 29 **its debt service obligations with regard to the allocation area**  
 30 **without all or part of the allocated tax proceeds attributed to the**  
 31 **assessed value that has been allocated to the respective taxing**  
 32 **units, then the county auditor may not allocate five percent (5%)**  
 33 **of the assessed value in the allocation area that is used to calculate**  
 34 **the allocation and distribution of allocated tax proceeds under this**  
 35 **section to the respective taxing units.**

36 (i) If the reuse authority adopts a declaratory resolution or an  
 37 amendment to a declaratory resolution that contains an allocation  
 38 provision and the reuse authority makes either of the filings required  
 39 under section 12(c) or 13(f) of this chapter after the first anniversary of  
 40 the effective date of the allocation provision, the auditor of the county  
 41 in which the military base reuse district is located shall compute the  
 42 base assessed value for the allocation area using the assessment date

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1 immediately preceding the later of:  
 2 (1) the date on which the documents are filed with the county  
 3 auditor; or  
 4 (2) the date on which the documents are filed with the  
 5 department of local government finance.  
 6 (j) For an allocation area established after June 30, 2024,  
 7 "residential property" refers to the assessed value of property that is  
 8 allocated to the one percent (1%) homestead land and improvement  
 9 categories in the county tax and billing software system, along with the  
 10 residential assessed value as defined for purposes of calculating the  
 11 rate for the local income tax property tax relief credit designated for  
 12 residential property under IC 6-3.6-5-6(d)(3).  
 13 SECTION 58. IC 36-7-30-25, AS AMENDED BY P.L.68-2025,  
 14 SECTION 237, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2027]: Sec. 25. (a) The following definitions  
 16 apply throughout this section:  
 17 (1) "Allocation area" means that part of a military base reuse  
 18 area 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  
 24 the adoption date of the allocation provision of the  
 25 declaratory resolution, as adjusted under subsection (h);  
 26 plus  
 27 (B) to the extent that it is not included in clause (A) or (C),  
 28 the net assessed value of any and all parcels or classes of  
 29 parcels identified as part of the base assessed value in the  
 30 declaratory resolution or an amendment thereto, as finally  
 31 determined for any subsequent assessment date; plus  
 32 (C) to the extent that it is not included in clause (A) or (B),  
 33 the net assessed value of property that is assessed as  
 34 residential property under the rules of the department of  
 35 local government finance, within the allocation area, as  
 36 finally determined for the current assessment date.  
 37 Clause (C) applies only to allocation areas established in a  
 38 military reuse area after June 30, 1997, and to the part of an  
 39 allocation area that was established before June 30, 1997, and  
 40 that is added to an existing allocation area after June 30, 1997.  
 41 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real

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1           property.

2           (b) A declaratory resolution adopted under section 10 of this

3 chapter before the date set forth in IC 36-7-14-39(b) pertaining to

4 declaratory resolutions adopted under IC 36-7-14-15 may include a

5 provision with respect to the allocation and distribution of property

6 taxes for the purposes and in the manner provided in this section. A

7 declaratory resolution previously adopted may include an allocation

8 provision by the amendment of that declaratory resolution in

9 accordance with the procedures set forth in section 13 of this chapter.

10 The allocation provision may apply to all or part of the military base

11 reuse area. The allocation provision must require that any property

12 taxes subsequently levied by or for the benefit of any public body

13 entitled to a distribution of property taxes on taxable property in the

14 allocation area be allocated and distributed as follows:

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

16 the taxes attributable to the lesser of:

17           (A) the assessed value of the property for the assessment

18 date with respect to which the allocation and distribution is

19 made; or

20           (B) the base assessed value;

21 shall be allocated to and, when collected, paid into the funds of

22 the respective taxing units.

23           (2) The excess of the proceeds of the property taxes imposed for

24 the assessment date with respect to which the allocation and

25 distribution are made that are attributable to taxes imposed after

26 being approved by the voters in a referendum or local public

27 question conducted after April 30, 2010, not otherwise included

28 in subdivision (1) shall be allocated to and, when collected, paid

29 into the funds of the taxing unit for which the referendum or

30 local public question was conducted.

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

32 proceeds in excess of those described in subdivisions (1) and (2)

33 shall be allocated to the military base reuse district and, when

34 collected, paid into an allocation fund for that allocation area

35 that may be used by the military base reuse district and only to

36 do one (1) or more of the following:

37           (A) Pay the principal of and interest and redemption

38 premium on any obligations incurred by the military base

39 reuse district or any other entity for the purpose of financing

40 or refinancing military base reuse activities in or directly

41 serving or benefiting that allocation area.

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- 1 (B) Establish, augment, or restore the debt service reserve
- 2 for bonds payable solely or in part from allocated tax
- 3 proceeds in that allocation area or from other revenues of
- 4 the reuse authority, including lease rental revenues.
- 5 (C) Make payments on leases payable solely or in part from
- 6 allocated tax proceeds in that allocation area.
- 7 (D) Reimburse any other governmental body for
- 8 expenditures made for local public improvements (or
- 9 structures) in or directly serving or benefiting that allocation
- 10 area.
- 11 (E) Pay expenses incurred by the reuse authority, any other
- 12 department of the unit, or a department of another
- 13 governmental entity for local public improvements or
- 14 structures that are in the allocation area or directly serving
- 15 or benefiting the allocation area, including expenses for the
- 16 operation and maintenance of these local public
- 17 improvements or structures if the reuse authority determines
- 18 those operation and maintenance expenses are necessary or
- 19 desirable to carry out the purposes of this chapter.
- 20 (F) Reimburse public and private entities for expenses
- 21 incurred in training employees of industrial facilities that
- 22 are located:
  - 23 (i) in the allocation area; and
  - 24 (ii) on a parcel of real property that has been classified
  - 25 as industrial property under the rules of the department
  - 26 of local government finance.
- 27 However, the total amount of money spent for this purpose
- 28 in any year may not exceed the total amount of money in the
- 29 allocation fund that is attributable to property taxes paid by
- 30 the industrial facilities described in this clause. The
- 31 reimbursements under this clause must be made not more
- 32 than three (3) years after the date on which the investments
- 33 that are the basis for the increment financing are made.
- 34 (G) Expend money and provide financial assistance as
- 35 authorized in section 9(a)(25) of this chapter.
- 36 Except as provided in clause (E), the allocation fund may not be
- 37 used for operating expenses of the reuse authority.
- 38 (4) Except as provided in subsection (g), before July 15 of each
- 39 year the reuse authority shall do the following:
  - 40 (A) Determine the amount, if any, by which property taxes
  - 41 payable to the allocation fund in the following year will

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1 exceed the amount of property taxes necessary to make,  
 2 when due, principal and interest payments on bonds  
 3 described in subdivision (3) plus the amount necessary for  
 4 other purposes described in subdivision (3).  
 5 (B) Provide a written notice to the county auditor, the fiscal  
 6 body of the unit that established the reuse authority, and the  
 7 officers who are authorized to fix budgets, tax rates, and tax  
 8 levies under IC 6-1.1-17-5 for each of the other taxing units  
 9 that is wholly or partly located within the allocation area.  
 10 The notice must:  
 11 (i) state the amount, if any, of excess property taxes  
 12 that the reuse authority has determined may be paid to  
 13 the respective taxing units in the manner prescribed in  
 14 subdivision (1); or  
 15 (ii) state that the reuse authority has determined that  
 16 there are no excess property tax proceeds that may be  
 17 allocated to the respective taxing units in the manner  
 18 prescribed in subdivision (1).  
 19 The county auditor shall allocate to the respective taxing  
 20 units the amount, if any, of excess property tax proceeds  
 21 determined by the reuse authority. The reuse authority may  
 22 not authorize a payment to the respective taxing units under  
 23 this subdivision if to do so would endanger the interest of  
 24 the holders of bonds described in subdivision (3) or lessors  
 25 under section 19 of this chapter.  
 26 (c) For the purpose of allocating taxes levied by or for any taxing  
 27 unit or units, the assessed value of taxable property in a territory in the  
 28 allocation area that is annexed by a taxing unit after the effective date  
 29 of the allocation provision of the declaratory resolution is the lesser of:  
 30 (1) the assessed value of the property for the assessment date  
 31 with respect to which the allocation and distribution is made; or  
 32 (2) the base assessed value.  
 33 (d) Property tax proceeds allocable to the military base reuse  
 34 district under subsection (b)(3) may, subject to subsection (b)(4), be  
 35 irrevocably pledged by the military base reuse district for payment as  
 36 set forth in subsection (b)(3).  
 37 (e) Notwithstanding any other law, each assessor shall, upon  
 38 petition of the reuse authority, reassess the taxable property situated  
 39 upon or in or added to the allocation area, effective on the next  
 40 assessment date after the petition.  
 41 (f) Notwithstanding any other law, the assessed value of all taxable

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1 property in the allocation area, for purposes of tax limitation, property  
 2 tax replacement, and the making of the budget, tax rate, and tax levy  
 3 for each political subdivision in which the property is located is the  
 4 lesser of:

- 5 (1) the assessed value of the property as valued without regard
- 6 to this section; or
- 7 (2) the base assessed value.

8 (g) If any part of the allocation area is located in an enterprise zone  
 9 created under IC 5-28-15, the unit that designated the allocation area  
 10 shall create funds as specified in this subsection. A unit that has  
 11 obligations, bonds, or leases payable from allocated tax proceeds under  
 12 subsection (b)(3) shall establish an allocation fund for the purposes  
 13 specified in subsection (b)(3) and a special zone fund. Such a unit  
 14 shall, until the end of the enterprise zone phase out period, deposit each  
 15 year in the special zone fund any amount in the allocation fund derived  
 16 from property tax proceeds in excess of those described in subsection  
 17 (b)(1) and (b)(2) from property located in the enterprise zone that  
 18 exceeds the amount sufficient for the purposes specified in subsection  
 19 (b)(3) for the year. The amount sufficient for purposes specified in  
 20 subsection (b)(3) for the year shall be determined based on the pro rata  
 21 part of such current property tax proceeds from the part of the  
 22 enterprise zone that is within the allocation area as compared to all  
 23 such current property tax proceeds derived from the allocation area. A  
 24 unit that does not have obligations, bonds, or leases payable from  
 25 allocated tax proceeds under subsection (b)(3) shall establish a special  
 26 zone fund and deposit all the property tax proceeds in excess of those  
 27 described in subsection (b)(1) and (b)(2) that are derived from property  
 28 in the enterprise zone in the fund. The unit that creates the special zone  
 29 fund shall use the fund (based on the recommendations of the urban  
 30 enterprise association) for programs in job training, job enrichment,  
 31 and basic skill development that are designed to benefit residents and  
 32 employers in the enterprise zone or other purposes specified in  
 33 subsection (b)(3), except that where reference is made in subsection  
 34 (b)(3) to allocation area it shall refer for purposes of payments from the  
 35 special zone fund only to that part of the allocation area that is also  
 36 located in the enterprise zone. The programs shall reserve at least  
 37 one-half (1/2) of their enrollment in any session for residents of the  
 38 enterprise zone.

39 (h) After each reassessment of real property in an area under the  
 40 county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of~~  
 41 ~~local government finance~~ **county auditor** shall, **on forms prescribed**

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1 **by the department of local government finance**, adjust the base  
 2 assessed value one (1) time to neutralize any effect of the reassessment  
 3 of the real property in the area on the property tax proceeds allocated  
 4 to the military base reuse district under this section. After each annual  
 5 adjustment under IC 6-1.1-4-4.5, ~~the department of local government~~  
 6 **finance county auditor shall, on forms prescribed by the**  
 7 **department of local government finance**, adjust the base assessed  
 8 value to neutralize any effect of the annual adjustment on the property  
 9 tax proceeds allocated to the military base reuse district under this  
 10 section. However, the adjustments under this subsection may not  
 11 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 12 these adjustments may not produce less property tax proceeds allocable  
 13 to the military base reuse district under subsection (b)(3) than would  
 14 otherwise have been received if the reassessment under the county's  
 15 reassessment plan or annual adjustment had not occurred. ~~The~~  
 16 ~~department of local government finance may prescribe procedures for~~  
 17 ~~county and township officials to follow to assist the department in~~  
 18 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 19 **prescribed by the department of local government finance, submit**  
 20 **the forms required by this subsection to the department of local**  
 21 **government finance no later than July 15 of each year. If the**  
 22 **county auditor fails to submit the forms by the deadline under this**  
 23 **subsection, the county auditor shall allocate five percent (5%) of**  
 24 **the assessed value in the allocation area that is used to calculate the**  
 25 **allocation and distribution of allocated tax proceeds under this**  
 26 **section to the respective taxing units. However, if the reuse**  
 27 **authority notifies the county auditor and the department of local**  
 28 **government finance, no later than July 15, that it is unable to meet**  
 29 **its debt service obligations with regard to the allocation area**  
 30 **without all or part of the allocated tax proceeds attributed to the**  
 31 **assessed value that has been allocated to the respective taxing**  
 32 **units, then the county auditor may not allocate five percent (5%)**  
 33 **of the assessed value in the allocation area that is used to calculate**  
 34 **the allocation and distribution of allocated tax proceeds under this**  
 35 **section to the respective taxing units.**

36 (i) If the reuse authority adopts a declaratory resolution or an  
 37 amendment to a declaratory resolution that contains an allocation  
 38 provision and the reuse authority makes either of the filings required  
 39 under section 12(c) or 13(f) of this chapter after the first anniversary of  
 40 the effective date of the allocation provision, the auditor of the county  
 41 in which the military base reuse district is located shall compute the  
 42 base assessed value for the allocation area using the assessment date

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- 1 immediately preceding the later of:
- 2 (1) the date on which the documents are filed with the county
- 3 auditor; or
- 4 (2) the date on which the documents are filed with the
- 5 department of local government finance.
- 6 (j) For an allocation area established after June 30, 2024,
- 7 "residential property" refers to the assessed value of property that is
- 8 allocated to the one percent (1%) homestead land and improvement
- 9 categories in the county tax and billing software system, along with the
- 10 residential assessed value as defined for purposes of calculating the
- 11 rate for the local income tax property tax relief credit designated for
- 12 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).
- 13 SECTION 59. IC 36-7-30.5-30, AS AMENDED BY
- 14 P.L.174-2022, SECTION 75, IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 30. (a) The following
- 16 definitions apply throughout this section:
- 17 (1) "Allocation area" means that part of a military base
- 18 development area to which an allocation provision of a
- 19 declaratory resolution adopted under section 16 of this chapter
- 20 refers for purposes of distribution and allocation of property
- 21 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
- 25 the adoption date of the allocation provision of the
- 26 declaratory resolution, as adjusted under subsection (h);
- 27 plus
- 28 (B) to the extent that it is not included in clause (A) or (C),
- 29 the net assessed value of any and all parcels or classes of
- 30 parcels identified as part of the base assessed value in the
- 31 declaratory resolution or an amendment to the declaratory
- 32 resolution, as finally determined for any subsequent
- 33 assessment date; plus
- 34 (C) to the extent that it is not included in clause (A) or (B),
- 35 the net assessed value of property that is assessed as
- 36 residential property under the rules of the department of
- 37 local government finance, within the allocation area, as
- 38 finally determined for the current assessment date.
- 39 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
- 40 property.
- 41 (b) A declaratory resolution adopted under section 16 of this

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1 chapter before the date set forth in IC 36-7-14-39(b) pertaining to  
 2 declaratory resolutions adopted under IC 36-7-14-15 may include a  
 3 provision with respect to the allocation and distribution of property  
 4 taxes for the purposes and in the manner provided in this section. A  
 5 declaratory resolution previously adopted may include an allocation  
 6 provision by the amendment of that declaratory resolution in  
 7 accordance with the procedures set forth in section 18 of this chapter.  
 8 The allocation provision may apply to all or part of the military base  
 9 development area. The allocation provision must require that any  
 10 property taxes subsequently levied by or for the benefit of any public  
 11 body entitled to a distribution of property taxes on taxable property in  
 12 the allocation area be allocated 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  
 16 date with respect to which the allocation and distribution is  
 17 made; 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 is 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  
 28 local 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 development authority and, when  
 32 collected, paid into an allocation fund for that allocation area  
 33 that may be used by the development authority and only to do  
 34 one (1) or more of the following:

35 (A) Pay the principal of and interest and redemption  
 36 premium on any obligations incurred by the development  
 37 authority or any other entity for the purpose of financing or  
 38 refinancing military base development or reuse activities in  
 39 or directly serving or benefiting that allocation area.

40 (B) Establish, augment, or restore the debt service reserve  
 41 for bonds payable solely or in part from allocated tax

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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 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

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1 allocation area or directly serving or benefiting the  
 2 allocation area.  
 3 (G) Reimburse public and private entities for expenses  
 4 incurred in training employees of industrial facilities that  
 5 are located:  
 6 (i) in the allocation area; and  
 7 (ii) on a parcel of real property that has been classified  
 8 as industrial property under the rules of the department  
 9 of local government finance.  
 10 However, the total amount of money spent for this purpose  
 11 in any year may not exceed the total amount of money in the  
 12 allocation fund that is attributable to property taxes paid by  
 13 the industrial facilities described in this clause. The  
 14 reimbursements under this clause must be made not more  
 15 than three (3) years after the date on which the investments  
 16 that are the basis for the increment financing are made.  
 17 (H) Expend money and provide financial assistance as  
 18 authorized in section 15(26) of this chapter.  
 19 The allocation fund may not be used for operating expenses of  
 20 the development authority.  
 21 (4) Except as provided in subsection (g), before July 15 of each  
 22 year the development authority shall do the following:  
 23 (A) Determine the amount, if any, by which property taxes  
 24 payable to the allocation fund in the following year will  
 25 exceed the amount of property taxes necessary to make,  
 26 when due, principal and interest payments on bonds  
 27 described in subdivision (3) plus the amount necessary for  
 28 other purposes described in subdivisions (2) and (3).  
 29 (B) Provide a written notice to the appropriate county  
 30 auditors and the fiscal bodies and other officers who are  
 31 authorized to fix budgets, tax rates, and tax levies under  
 32 IC 6-1.1-17-5 for each of the other taxing units that is  
 33 wholly or partly located within the allocation area. The  
 34 notice must:  
 35 (i) state the amount, if any, of the excess property taxes  
 36 that the development authority has determined may be  
 37 paid to the respective taxing units in the manner  
 38 prescribed in subdivision (1); or  
 39 (ii) state that the development authority has determined  
 40 that there is no excess assessed value that may be  
 41 allocated to the respective taxing units in the manner

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1 prescribed in subdivision (1).  
 2 The county auditors shall allocate to the respective taxing  
 3 units the amount, if any, of excess assessed value  
 4 determined by the development authority. The development  
 5 authority may not authorize a payment to the respective  
 6 taxing units under this subdivision if to do so would  
 7 endanger the interest of the holders of bonds described in  
 8 subdivision (3) or lessors under section 24 of this chapter.  
 9 Property taxes received by a taxing unit under this  
 10 subdivision before 2009 are eligible for the property tax  
 11 replacement credit provided under IC 6-1.1-21 (before its  
 12 repeal).

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

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

20 (d) Property tax proceeds allocable to the military base  
 21 development district under subsection (b)(3) may, subject to subsection  
 22 (b)(4), be irrevocably pledged by the military base development district  
 23 for payment as set forth in subsection (b)(3).

24 (e) Notwithstanding any other law, each assessor shall, upon  
 25 petition of the development authority, reassess the taxable property  
 26 situated upon or in or added to the allocation area, effective on the next  
 27 assessment date after the petition.

28 (f) Notwithstanding any other law, the assessed value of all taxable  
 29 property in the allocation area, for purposes of tax limitation, property  
 30 tax replacement, and the making of the budget, tax rate, and tax levy  
 31 for each political subdivision in which the property is located is the  
 32 lesser of:

- 33 (1) the assessed value of the property as valued without regard
- 34 to this section; or
- 35 (2) the base assessed value.

36 (g) If any part of the allocation area is located in an enterprise zone  
 37 created under IC 5-28-15, the development authority shall create funds  
 38 as specified in this subsection. A development authority that has  
 39 obligations, bonds, or leases payable from allocated tax proceeds under  
 40 subsection (b)(3) shall establish an allocation fund for the purposes  
 41 specified in subsection (b)(3) and a special zone fund. The

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1 development authority shall, until the end of the enterprise zone phase  
 2 out period, deposit each year in the special zone fund any amount in the  
 3 allocation fund derived from property tax proceeds in excess of those  
 4 described in subsection (b)(1) and (b)(2) from property located in the  
 5 enterprise zone that exceeds the amount sufficient for the purposes  
 6 specified in subsection (b)(3) for the year. The amount sufficient for  
 7 purposes specified in subsection (b)(3) for the year shall be determined  
 8 based on the pro rata part of such current property tax proceeds from  
 9 the part of the enterprise zone that is within the allocation area as  
 10 compared to all such current property tax proceeds derived from the  
 11 allocation area. A development authority that does not have  
 12 obligations, bonds, or leases payable from allocated tax proceeds under  
 13 subsection (b)(3) shall establish a special zone fund and deposit all the  
 14 property tax proceeds in excess of those described in subsection (b)(1)  
 15 and (b)(2) that are derived from property in the enterprise zone in the  
 16 fund. The development authority that creates the special zone fund  
 17 shall use the fund (based on the recommendations of the urban  
 18 enterprise association) for programs in job training, job enrichment,  
 19 and basic skill development that are designed to benefit residents and  
 20 employers in the enterprise zone or for other purposes specified in  
 21 subsection (b)(3), except that where reference is made in subsection  
 22 (b)(3) to an allocation area it shall refer for purposes of payments from  
 23 the special zone fund only to that part of the allocation area that is also  
 24 located in the enterprise zone. The programs shall reserve at least  
 25 one-half (1/2) of their enrollment in any session for residents of the  
 26 enterprise zone.

27 (h) After each reassessment of real property in an area under a  
 28 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~  
 29 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 30 **by the department of local government finance**, adjust the base  
 31 assessed value one (1) time to neutralize any effect of the reassessment  
 32 of the real property in the area on the property tax proceeds allocated  
 33 to the military base development district under this section. After each  
 34 annual adjustment under IC 6-1.1-4-4.5, the ~~department of local~~  
 35 ~~government finance~~ **county auditor** shall, **on forms prescribed by the**  
 36 **department of local government finance**, adjust the base assessed  
 37 value to neutralize any effect of the annual adjustment on the property  
 38 tax proceeds allocated to the military base development district under  
 39 this section. However, the adjustments under this subsection may not  
 40 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 41 these adjustments may not produce less property tax proceeds allocable

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1 to the military base development district under subsection (b)(3) than  
 2 would otherwise have been received if the reassessment under the  
 3 county's reassessment plan or annual adjustment had not occurred. ~~The~~  
 4 ~~department of local government finance may prescribe procedures for~~  
 5 ~~county and township officials to follow to assist the department in~~  
 6 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 7 **prescribed by the department of local government finance, submit**  
 8 **the forms required by this subsection to the department of local**  
 9 **government finance no later than July 15 of each year. If the**  
 10 **county auditor fails to submit the forms by the deadline under this**  
 11 **subsection, the county auditor shall allocate five percent (5%) of**  
 12 **the assessed value in the allocation area that is used to calculate the**  
 13 **allocation and distribution of allocated tax proceeds under this**  
 14 **section to the respective taxing units. However, if the development**  
 15 **authority notifies the county auditor and the department of local**  
 16 **government finance, no later than July 15, that it is unable to meet**  
 17 **its debt service obligations with regard to the allocation area**  
 18 **without all or part of the allocated tax proceeds attributed to the**  
 19 **assessed value that has been allocated to the respective taxing**  
 20 **units, then the county auditor may not allocate five percent (5%)**  
 21 **of the assessed value in the allocation area that is used to calculate**  
 22 **the allocation and distribution of allocated tax proceeds under this**  
 23 **section to the respective taxing units.**

24 (i) If the development authority adopts a declaratory resolution or  
 25 an amendment to a declaratory resolution that contains an allocation  
 26 provision and the development authority makes either of the filings  
 27 required under section 17(e) or 18(f) of this chapter after the first  
 28 anniversary of the effective date of the allocation provision, the auditor  
 29 of the county in which the military base development district is located  
 30 shall compute the base assessed value for the allocation area using the  
 31 assessment date immediately preceding the later of:

- 32 (1) the date on which the documents are filed with the county  
 33 auditor; or  
 34 (2) the date on which the documents are filed with the  
 35 department of local government finance.

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

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1 SECTION 60. IC 36-7-30.5-30, AS AMENDED BY P.L.68-2025,  
2 SECTION 238, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2027]: Sec. 30. (a) The following definitions  
4 apply throughout this section:

5 (1) "Allocation area" means that part of a military base  
6 development area to which an allocation provision of a  
7 declaratory resolution adopted under section 16 of this chapter  
8 refers for purposes of distribution and allocation of property  
9 taxes.

10 (2) "Base assessed value" means, subject to subsection (i):

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

16 (B) to the extent that it is not included in clause (A) or (C),  
17 the net assessed value of any and all parcels or classes of  
18 parcels identified as part of the base assessed value in the  
19 declaratory resolution or an amendment to the declaratory  
20 resolution, as finally determined for any subsequent  
21 assessment date; plus

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

27 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
28 property.

29 (b) A declaratory resolution adopted under section 16 of this  
30 chapter before the date set forth in IC 36-7-14-39(b) pertaining to  
31 declaratory resolutions adopted under IC 36-7-14-15 may include a  
32 provision with respect to the allocation and distribution of property  
33 taxes for the purposes and in the manner provided in this section. A  
34 declaratory resolution previously adopted may include an allocation  
35 provision by the amendment of that declaratory resolution in  
36 accordance with the procedures set forth in section 18 of this chapter.  
37 The allocation provision may apply to all or part of the military base  
38 development area. The allocation provision must require that any  
39 property taxes subsequently levied by or for the benefit of any public  
40 body entitled to a distribution of property taxes on taxable property in  
41 the allocation area be allocated and distributed as follows:

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1 (1) Except as otherwise provided in this section, the proceeds of  
2 the taxes attributable to the lesser of:  
3 (A) the assessed value of the property for the assessment  
4 date with respect to which the allocation and distribution is  
5 made; or  
6 (B) the base assessed value;  
7 shall be allocated to and, when collected, paid into the funds of  
8 the respective taxing units.  
9 (2) The excess of the proceeds of the property taxes imposed for  
10 the assessment date with respect to which the allocation and  
11 distribution is made that are attributable to taxes imposed after  
12 being approved by the voters in a referendum or local public  
13 question conducted after April 30, 2010, not otherwise included  
14 in subdivision (1) shall be allocated to and, when collected, paid  
15 into the funds of the taxing unit for which the referendum or  
16 local public question was conducted.  
17 (3) Except as otherwise provided in this section, property tax  
18 proceeds in excess of those described in subdivisions (1) and (2)  
19 shall be allocated to the development authority and, when  
20 collected, paid into an allocation fund for that allocation area  
21 that may be used by the development authority and only to do  
22 one (1) or more of the following:  
23 (A) Pay the principal of and interest and redemption  
24 premium on any obligations incurred by the development  
25 authority or any other entity for the purpose of financing or  
26 refinancing military base development or reuse activities in  
27 or directly serving or benefiting that allocation area.  
28 (B) Establish, augment, or restore the debt service reserve  
29 for bonds payable solely or in part from allocated tax  
30 proceeds in that allocation area or from other revenues of  
31 the development authority, including lease rental revenues.  
32 (C) Make payments on leases payable solely or in part from  
33 allocated tax proceeds in that allocation area.  
34 (D) Reimburse any other governmental body for  
35 expenditures made for local public improvements (or  
36 structures) in or directly serving or benefiting that allocation  
37 area.  
38 (E) For property taxes first due and payable before 2009,  
39 pay all or a part of a property tax replacement credit to  
40 taxpayers in an allocation area as determined by the  
41 development authority. This credit equals the amount

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1 determined under the following STEPS for each taxpayer in  
 2 a taxing district (as defined in IC 6-1.1-1-20) that contains  
 3 all or part of the allocation area:  
 4 STEP ONE: Determine that part of the sum of the amounts  
 5 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
 6 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
 7 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable  
 8 to the taxing district.  
 9 STEP TWO: Divide:  
 10 (i) that part of each county's eligible property tax  
 11 replacement amount (as defined in IC 6-1.1-21-2  
 12 (before its repeal)) for that year as determined under  
 13 IC 6-1.1-21-4 (before its repeal) that is attributable to  
 14 the taxing district; by  
 15 (ii) the STEP ONE sum.  
 16 STEP THREE: Multiply:  
 17 (i) the STEP TWO quotient; by  
 18 (ii) the total amount of the taxpayer's taxes (as defined  
 19 in IC 6-1.1-21-2 (before its repeal)) levied in the taxing  
 20 district that have been allocated during that year to an  
 21 allocation fund under this section.  
 22 If not all the taxpayers in an allocation area receive the  
 23 credit in full, each taxpayer in the allocation area is entitled  
 24 to receive the same proportion of the credit. A taxpayer may  
 25 not receive a credit under this section and a credit under  
 26 section 32 of this chapter (before its repeal) in the same  
 27 year.  
 28 (F) Pay expenses incurred by the development authority for  
 29 local public improvements or structures that were in the  
 30 allocation area or directly serving or benefiting the  
 31 allocation area.  
 32 (G) Reimburse public and private entities for expenses  
 33 incurred in training employees of industrial facilities that  
 34 are located:  
 35 (i) in the allocation area; and  
 36 (ii) on a parcel of real property that has been classified  
 37 as industrial property under the rules of the department  
 38 of local government finance.  
 39 However, the total amount of money spent for this purpose  
 40 in any year may not exceed the total amount of money in the  
 41 allocation fund that is attributable to property taxes paid by

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1 the industrial facilities described in this clause. The  
2 reimbursements under this clause must be made not more  
3 than three (3) years after the date on which the investments  
4 that are the basis for the increment financing are made.  
5 (H) Expend money and provide financial assistance as  
6 authorized in section 15(26) of this chapter.  
7 The allocation fund may not be used for operating expenses of  
8 the development authority.  
9 (4) Except as provided in subsection (g), before July 15 of each  
10 year the development authority shall do the following:  
11 (A) Determine the amount, if any, by which property taxes  
12 payable to the allocation fund in the following year will  
13 exceed the amount of property taxes necessary to make,  
14 when due, principal and interest payments on bonds  
15 described in subdivision (3) plus the amount necessary for  
16 other purposes described in subdivisions (2) and (3).  
17 (B) Provide a written notice to the appropriate county  
18 auditors and the fiscal bodies and other officers who are  
19 authorized to fix budgets, tax rates, and tax levies under  
20 IC 6-1.1-17-5 for each of the other taxing units that is  
21 wholly or partly located within the allocation area. The  
22 notice must:  
23 (i) state the amount, if any, of the excess property taxes  
24 that the development authority has determined may be  
25 paid to the respective taxing units in the manner  
26 prescribed in subdivision (1); or  
27 (ii) state that the development authority has determined  
28 that there is no excess assessed value that may be  
29 allocated to the respective taxing units in the manner  
30 prescribed in subdivision (1).  
31 The county auditors shall allocate to the respective taxing  
32 units the amount, if any, of excess assessed value  
33 determined by the development authority. The development  
34 authority may not authorize a payment to the respective  
35 taxing units under this subdivision if to do so would  
36 endanger the interest of the holders of bonds described in  
37 subdivision (3) or lessors under section 24 of this chapter.  
38 Property taxes received by a taxing unit under this  
39 subdivision before 2009 are eligible for the property tax  
40 replacement credit provided under IC 6-1.1-21 (before its  
41 repeal).

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

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

8 (d) Property tax proceeds allocable to the military base  
 9 development district under subsection (b)(3) may, subject to subsection  
 10 (b)(4), be irrevocably pledged by the military base development district  
 11 for payment as set forth in subsection (b)(3).

12 (e) Notwithstanding any other law, each assessor shall, upon  
 13 petition of the development authority, reassess the taxable property  
 14 situated upon or in or added to the allocation area, effective on the next  
 15 assessment date after the petition.

16 (f) Notwithstanding any other law, the assessed value of all taxable  
 17 property in the allocation area, for purposes of tax limitation, property  
 18 tax replacement, and the making of the budget, tax rate, and tax levy  
 19 for each political subdivision in which the property is located is the  
 20 lesser of:

- 21 (1) the assessed value of the property as valued without regard  
 22 to this section; or  
 23 (2) the base assessed value.

24 (g) If any part of the allocation area is located in an enterprise zone  
 25 created under IC 5-28-15, the development authority shall create funds  
 26 as specified in this subsection. A development authority that has  
 27 obligations, bonds, or leases payable from allocated tax proceeds under  
 28 subsection (b)(3) shall establish an allocation fund for the purposes  
 29 specified in subsection (b)(3) and a special zone fund. The  
 30 development authority shall, until the end of the enterprise zone phase  
 31 out period, deposit each year in the special zone fund any amount in the  
 32 allocation fund derived from property tax proceeds in excess of those  
 33 described in subsection (b)(1) and (b)(2) from property located in the  
 34 enterprise zone that exceeds the amount sufficient for the purposes  
 35 specified in subsection (b)(3) for the year. The amount sufficient for  
 36 purposes specified in subsection (b)(3) for the year shall be determined  
 37 based on the pro rata part of such current property tax proceeds from  
 38 the part of the enterprise zone that is within the allocation area as  
 39 compared to all such current property tax proceeds derived from the  
 40 allocation area. A development authority that does not have  
 41 obligations, bonds, or leases payable from allocated tax proceeds under

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1 subsection (b)(3) shall establish a special zone fund and deposit all the  
 2 property tax proceeds in excess of those described in subsection (b)(1)  
 3 and (b)(2) that are derived from property in the enterprise zone in the  
 4 fund. The development authority that creates the special zone fund  
 5 shall use the fund (based on the recommendations of the urban  
 6 enterprise association) for programs in job training, job enrichment,  
 7 and basic skill development that are designed to benefit residents and  
 8 employers in the enterprise zone or for other purposes specified in  
 9 subsection (b)(3), except that where reference is made in subsection  
 10 (b)(3) to an allocation area it shall refer for purposes of payments from  
 11 the special zone fund only to that part of the allocation area that is also  
 12 located in the enterprise zone. The programs shall reserve at least  
 13 one-half (1/2) of their enrollment in any session for residents of the  
 14 enterprise zone.

15 (h) After each reassessment of real property in an area under a  
 16 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~  
 17 ~~local government finance county auditor~~ shall, **on forms prescribed**  
 18 **by the department of local government finance**, adjust the base  
 19 assessed value one (1) time to neutralize any effect of the reassessment  
 20 of the real property in the area on the property tax proceeds allocated  
 21 to the military base development district under this section. After each  
 22 annual adjustment under IC 6-1.1-4-4.5, the ~~department of local~~  
 23 ~~government finance county auditor~~ shall, **on forms prescribed by the**  
 24 **department of local government finance**, adjust the base assessed  
 25 value to neutralize any effect of the annual adjustment on the property  
 26 tax proceeds allocated to the military base development district under  
 27 this section. However, the adjustments under this subsection may not  
 28 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 29 these adjustments may not produce less property tax proceeds allocable  
 30 to the military base development district under subsection (b)(3) than  
 31 would otherwise have been received if the reassessment under the  
 32 county's reassessment plan or annual adjustment had not occurred. ~~The~~  
 33 ~~department of local government finance may prescribe procedures for~~  
 34 ~~county and township officials to follow to assist the department in~~  
 35 ~~making the adjustments.~~ **The county auditor shall, in the manner**  
 36 **prescribed by the department of local government finance, submit**  
 37 **the forms required by this subsection to the department of local**  
 38 **government finance no later than July 15 of each year. If the**  
 39 **county auditor fails to submit the forms by the deadline under this**  
 40 **subsection, the county auditor shall allocate five percent (5%) of**  
 41 **the assessed value in the allocation area that is used to calculate the**

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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
- 23 department 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

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1 of the real property in the area on the property tax proceeds allocated  
2 to the certified technology park fund under section 17 of this chapter.  
3 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~  
4 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
5 **by the department of local government finance**, adjust the base  
6 assessed value to neutralize any effect of the annual adjustment on the  
7 property tax proceeds allocated to the certified technology park fund  
8 under section 17 of this chapter.

9 **(c) The county auditor shall, in the manner prescribed by the**  
10 **department of local government finance, submit the forms**  
11 **required by this section to the department of local government**  
12 **finance no later than July 15 of each year. If the county auditor**  
13 **fails to submit the forms by the deadline under this subsection, the**  
14 **county auditor shall allocate five percent (5%) of the assessed**  
15 **value in the allocation area that is used to calculate the allocation**  
16 **and distribution of allocated tax proceeds under this section to the**  
17 **respective taxing units. However, if the certified technology park**  
18 **notifies the county auditor and the department of local government**  
19 **finance, no later than July 15, that it is unable to meet its debt**  
20 **service obligations with regard to the allocation area without all or**  
21 **part of the allocated tax proceeds attributed to the assessed value**  
22 **that has been allocated to the respective taxing units, then the**  
23 **county auditor may not allocate five percent (5%) of the assessed**  
24 **value in the allocation area that is used to calculate the allocation**  
25 **and distribution of allocated tax proceeds under this section to the**  
26 **respective taxing units.**

27 SECTION 62. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022,  
28 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2026]: Sec. 16. (a) The state board of accounts, the  
30 department of state revenue, and the department of local government  
31 finance may adopt rules under IC 4-22-2 and prescribe the forms and  
32 procedures that the state board of accounts, the department of state  
33 revenue, and the department of local government finance consider  
34 appropriate for the implementation of an innovation development  
35 district under this chapter. However, before adopting rules under this  
36 section, the state board of accounts, the department of state revenue,  
37 and the department of local government finance shall submit a report  
38 to the budget committee that:

- 39 (1) describes the rules proposed by the state board of accounts,  
40 the department of state revenue, and the department of local  
41 government finance; and
- 42 (2) recommends statutory changes necessary to implement the

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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  
 36 P.L.236-2023, SECTION 194, IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is  
 38 established, the following apply to the administration and use of  
 39 incremental property tax revenue by the development authority, or a  
 40 redevelopment commission in the case of a district located in a cash  
 41 participant county, in the district:

42 (1) The ~~department of local government finance~~ **county auditor**

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1 shall, **on forms prescribed by the department of local**  
 2 **government finance**, adjust the base assessed value to  
 3 neutralize any effect of a reassessment and the annual  
 4 adjustment of the real property in the district in the same manner  
 5 as provided in IC 36-7-14-39(h). **The county auditor shall, in**  
 6 **the manner prescribed by the department of local**  
 7 **government finance**, submit the forms required by this  
 8 **subdivision to the department of local government finance no**  
 9 **later than July 15 of each year. If the county auditor fails to**  
 10 **submit the forms by the deadline under this subdivision, the**  
 11 **county auditor shall allocate five percent (5%) of the**  
 12 **assessed value in the allocation area that is used to calculate**  
 13 **the allocation and distribution of allocated tax proceeds**  
 14 **under this section to the respective taxing units. However, if**  
 15 **the district notifies the county auditor and the department of**  
 16 **local government finance, no later than July 15, that it is**  
 17 **unable to meet its debt service obligations with regard to the**  
 18 **allocation area without all or part of the allocated tax**  
 19 **proceeds attributed to the assessed value that has been**  
 20 **allocated to the respective taxing units, then the county**  
 21 **auditor may not allocate five percent (5%) of the assessed**  
 22 **value in the allocation area that is used to calculate the**  
 23 **allocation and distribution of allocated tax proceeds under**  
 24 **this section to the respective taxing units.**

25 (2) Proceeds of the property taxes approved by the voters in a  
 26 referendum or local public question shall be allocated to and,  
 27 when collected, paid into the funds of the taxing unit for which  
 28 the referendum or local public question was conducted in the  
 29 same manner as provided in IC 36-7-14-39(b)(3).

30 (3) Incremental property tax revenue may be used only for one  
 31 (1) or more of the following purposes for a district:

32 (A) To finance the improvement, construction,  
 33 reconstruction, renovation, and acquisition of real and  
 34 personal property improvements within a district.

35 (B) To pay the principal of and interest on any obligations  
 36 that are incurred for the purpose of financing or refinancing  
 37 development in the district, including local public  
 38 improvements that are physically located in or physically  
 39 connected to the district.

40 (C) To establish, augment, or restore the debt service  
 41 reserve for bonds payable solely or in part from incremental  
 42 property tax revenue from the district.

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- 1 (D) To pay premiums on the redemption before maturity of
- 2 bonds payable solely or in part from incremental property
- 3 tax revenue from the district.
- 4 (E) To make payments on leases payable from incremental
- 5 property tax revenue from the district.
- 6 (F) To reimburse a municipality in which a district is
- 7 located for expenditures made by the municipality for local
- 8 public improvements that are physically located in or
- 9 physically connected to the district.
- 10 (G) To reimburse a municipality for rentals paid by the
- 11 municipality for a building or parking facility that is
- 12 physically located in or physically connected to the district
- 13 under any lease entered into under IC 36-1-10.
- 14 (H) To pay expenses incurred by the development authority
- 15 for local public improvements that are in the district or
- 16 serving the district.

17 SECTION 64. [EFFECTIVE JANUARY 1, 2024  
 18 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**  
 19 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**  
 20 **provision.**

21 (b) **This SECTION applies to assessment dates after December**  
 22 **31, 2023, and before January 1, 2026.**

23 (c) **As used in this SECTION, "eligible property" means any**  
 24 **real property:**

- 25 (1) **that is owned, occupied, and used by a taxpayer that:**
  - 26 (A) **is exempt from federal income taxation under**
  - 27 **Section 501(c)(3) of the Internal Revenue Code; and**
  - 28 (B) **has a mission focused on preserving Indiana**
  - 29 **landmarks;**
- 30 (2) **that is used for one (1) or more of the purposes described**
- 31 **in IC 6-1.1-10-16;**
- 32 (3) **that is a parcel that:**
  - 33 (A) **was transferred to the taxpayer before January 1,**
  - 34 **2024; and**
  - 35 (B) **is located in Vanderburgh County;**
- 36 (4) **on which property taxes were imposed for the 2024 and**
- 37 **2025 assessment dates; and**
- 38 (5) **that would have been eligible for an exemption under**
- 39 **IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an**
- 40 **exemption application had been properly and timely filed**
- 41 **under IC 6-1.1 for the property.**

42 (d) **Before September 1, 2026, the owner of eligible property**

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1 may file a property tax exemption application and supporting  
2 documents claiming a property tax exemption under this  
3 SECTION for the eligible property for the 2024 and 2025  
4 assessment dates.

5 (e) A property tax exemption application filed as provided in  
6 subsection (d) is considered to have been properly and timely filed  
7 for each assessment date.

8 (f) The following apply if the owner of eligible property files a  
9 property tax exemption application as provided in subsection (d):

10 (1) The property tax exemption for the eligible property shall  
11 be allowed and granted for the applicable assessment date by  
12 the county assessor and county auditor of the county in  
13 which the eligible property is located.

14 (2) The owner of the eligible property is not required to pay  
15 any property taxes, penalties, or interest with respect to the  
16 eligible property for the applicable assessment date.

17 (g) The exemption allowed by this SECTION shall be applied  
18 without the need for any further ruling or action by the county  
19 assessor, the county auditor, or the county property tax assessment  
20 board of appeals of the county in which the eligible property is  
21 located or by the Indiana board of tax review.

22 (h) To the extent the owner of the eligible property has paid  
23 any property taxes, penalties, or interest with respect to the eligible  
24 property for an applicable date and to the extent that the eligible  
25 property is exempt from taxation as provided in this SECTION,  
26 the owner of the eligible property is entitled to a refund of the  
27 amounts paid. The owner is not entitled to any interest on the  
28 refund under IC 6-1.1 or any other law to the extent interest has  
29 not been paid by or on behalf of the owner. Notwithstanding the  
30 filing deadlines for a claim under IC 6-1.1-26, any claim for a  
31 refund filed by the owner of eligible property under this SECTION  
32 before September 1, 2026, is considered timely filed. The county  
33 auditor shall pay the refund due under this SECTION in one (1)  
34 installment.

35 (i) This SECTION expires June 30, 2027.

36 SECTION 65. [EFFECTIVE JANUARY 1, 2026  
37 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to  
38 assessment dates occurring after December 31, 2025, for property  
39 taxes first due and payable in 2027.

40 (b) This SECTION expires July 1, 2030.

41 SECTION 66. [EFFECTIVE JANUARY 1, 2026  
42 (RETROACTIVE)] (a) The amendments made by this act to:

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1           (1) IC 6-1.1-12.6-2;  
 2           (2) IC 6-1.1-12.6-4;  
 3           (3) IC 6-1.1-12.6-8;  
 4           (4) IC 6-1.1-12.8-3;  
 5           (5) IC 6-1.1-12.8-4;  
 6           (6) IC 6-1.1-12.8-9; and  
 7           (7) IC 6-1.1-12.8-10;  
 8           **apply to assessment dates occurring after December 31, 2025.**  
 9           **(b) This SECTION expires January 1, 2028.**  
 10          SECTION 67. [EFFECTIVE UPON PASSAGE] (a) IC 6-3.6-6-3  
 11          was amended by P.L.137-2024, SECTION 9, effective July 1, 2024,  
 12          until July 1, 2027, and by P.L.68-2025, SECTION 124, effective  
 13          July 1, 2027. The general assembly recognizes that this act amends,  
 14          effective July 1, 2026, the version of IC 6-3.6-6-3 amended by  
 15          P.L.137-2024, SECTION 9. The general assembly intends for the  
 16          version of IC 6-3.6-6-3:  
 17               (1) as amended by this act, to expire July 1, 2027; and  
 18               (2) as amended by P.L.68-2025, SECTION 124, to take effect  
 19               July 1, 2027.  
 20          **(b) This SECTION expires December 31, 2027.**  
 21          SECTION 68. An emergency is declared for this act.

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