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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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2026

IN 1210—LS 6805/DI 134



**DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY**

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.

## 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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obligated person.

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

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

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

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

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

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

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

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

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



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).



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

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

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

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

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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.



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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capitalization rate of:

- (i) for purposes of determining the preliminary base rate for the January 1, 2025, ~~and the January 1, 2026,~~ **and January 1, 2027**, assessment dates, nine percent (9%); and
- (ii) for purposes of determining the preliminary base rate for assessment dates before January 1, 2025, and for assessment dates after December 31, ~~2026;~~ **2027**, eight percent (8%);

shall be used to determine the final base rate.

(B) If the preliminary base rate for the assessment date would be at least ten percent (10%) less than the final base rate determined for the preceding assessment date, a capitalization rate of six percent (6%) shall be used to determine the final base rate.

(C) If neither clause (A) nor clause (B) applies, a capitalization rate of seven percent (7%) shall be used to determine the final base rate.

(D) In the case of a market value in use for a year that is used in the calculation of the six (6) year rolling average under subdivision (1) for purposes of determining the base rate for the assessment date:

- (i) that market value in use shall be recalculated by using the capitalization rate determined under clauses (A) through (C) for the calculation of the base rate for the assessment date; and
- (ii) the market value in use recalculated under item (i) shall be used in the calculation of the six (6) year rolling average under subdivision (1).

(g) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

(h) The department shall release the department's annual determination of the base rate on or before March 1 of each year.

(i) For the January 1, 2025, assessment date only, the base rate determined using the capitalization rate under subsection (f)(4)(A)(i) shall not apply to land that is assessed under section 12 of this chapter.

SECTION 7. IC 6-1.1-4-25, AS AMENDED BY P.L.1-2025, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 25. (a) Each township





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

(b) The county assessor shall:

(1) maintain an electronic data file of:

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

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

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

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

(A) the legislative services agency; and

(B) the department of local government finance;

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

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

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

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

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

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

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

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

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approved by the legislative services agency.

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

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

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

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

and

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

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

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

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



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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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(6) 50 IAC 5.1-9-1.

(7) 50 IAC 5.1-9-2.

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

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

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

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

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

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

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

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

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

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



(2) defined as a small house health facility under IC 16-18-2-331.9; or

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

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

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

(2) defined as a small house health facility under IC 16-18-2-331.9; or

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

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

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

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

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

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

(c) If the individual claiming the deduction is under guardianship, 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



individual's contract obligations;

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

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

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

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

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

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

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

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

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

(1) the assessment date; or

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

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

(c) Except as provided in section 40.5 of this chapter, the total

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

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

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

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

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

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
- (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
- (3) the names of:
  - (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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described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed.

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

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

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

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

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

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

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

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

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

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purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

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

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

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

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

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

(k) A county auditor may require an individual to provide evidence proving that the individual's residence is the individual's principal place of residence as claimed in the certified statement filed under subsection (e). The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which the deduction is claimed is the individual's principal place of residence. The county auditor may not deny an application filed under section 44 of this chapter because the applicant does not have a valid driver's license or state identification card with the address of the homestead

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

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

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

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

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

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

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

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

(m) If:

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

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

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

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

(1) either:

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

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

(2) on the assessment date:

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

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

(3) either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) a partially completed structure; or

(2) a fully completed structure;

for the assessment date in 2009 or a later year.

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

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

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residence is assessed as a partially completed structure.

(2) The assessment date for which the model residence is first assessed as a fully completed structure.

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

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

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

(2) to a person who does not continue to use the real property as a model residence.

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

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

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

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

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

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

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JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) This chapter applies only to a residence in inventory that is first assessed as:

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

for the assessment date in 2012 or a later year.

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

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

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

- (1) after the assessment date of that year but before January 1 of the following year; and
- (2) to a person for whom the real property does not qualify as a residence in inventory.

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

(d) A deduction for a residence in inventory under this chapter does not apply for a particular assessment date if the residence in inventory is leased for any purpose for any part of the calendar year in which the assessment date occurs.

SECTION 19. IC 6-1.1-12.8-4, AS AMENDED BY P.L.136-2024, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) A property owner that qualifies for the deduction under this chapter and that desires to receive the deduction for a calendar year must complete and date a statement containing the information required by subsection (b) and file the statement with the county auditor on or before January 15 of the



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

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

under this section.

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

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

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

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

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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



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

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

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

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

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

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

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

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

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



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

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

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

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

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

expressed as a decimal.

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

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

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

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township under this section:

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

(1) **the sum of:**

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

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

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

~~(B)~~ (ii) the net assessed value of the fire protection and emergency services area divided by one hundred (100);

or

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

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

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



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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subsection (b); multiplied by

~~(B)~~ (ii) the net assessed value of the fire protection district area divided by one hundred (100); or

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

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

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

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

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

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issued by the Bureau of the Census during the ten (10) year period immediately preceding the petition.

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

(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal.

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

(A) ~~fifteen-hundredths (0.15);~~ **one-tenth (0.1);** or

(B) the STEP TWO result.

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

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

(1) **the sum of:**

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

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

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

~~(B) (ii)~~ the net assessed value of the fire protection territory area divided by one hundred (100); or

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

~~(d) The calculation under this~~ **An increase in a fire protection territory's maximum permissible ad valorem property tax levy provided as determined under subsection (c)** shall be used in the determination of the fire protection territory's maximum permissible ad valorem property tax levy under IC 36-8-19-8 for property taxes first due and payable in the first year of the increase and thereafter.

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



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).



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

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

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

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

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

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

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

(c) A political subdivision may not borrow money to compensate 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.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STEP ONE: Determine the product of:

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

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

STEP THREE: Determine the product of:

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

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

(f) This section expires January 1, 2027.

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

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



- 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).





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

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

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

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

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

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



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

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

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

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

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

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

(A) the date of the sale;

(B) the name of the buyer;

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

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

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

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

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

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

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

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

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

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

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

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

(2) the name of:

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

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

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

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

(5) the date of sale;

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

(B) the base assessed value;

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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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 (i) 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



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

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

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

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

(b) The department of local government finance, in consultation with the department of state revenue, may make electronically available uniform notices, ordinances, and resolutions that an adopting body or other governmental entity may use to take an action under this article.

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

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

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

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

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

(1) To make the following distributions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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~~



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(B)~~ (2) The:

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

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

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

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

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

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

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





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

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

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

(2) either:

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

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

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

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

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

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

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

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

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

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



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

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

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

(B) the base assessed value;

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

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

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

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

STEP TWO: Subtract the STEP ONE amount from one

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(1).

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

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

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

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

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

(A) Pay the principal of and interest on any obligations

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payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

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

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

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

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

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

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

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

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

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay

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

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

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

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

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

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

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

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

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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.



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

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

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

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

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

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

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

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

(7) For property taxes first due and payable before January 1,  
2009, providing each taxpayer in the allocation area a credit for  
property tax replacement as determined under subsections (c)  
and (d). However, the commission may provide this credit only  
if the municipal legislative body (in the case of a redevelopment  
commission established by a municipality) or the county  
executive (in the case of a redevelopment commission  
established by a county) establishes the credit by ordinance  
adopted in the year before the year in which the credit is  
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(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

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

STEP TWO: Divide:

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

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) If:

(A) 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 (1); plus

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

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

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



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

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

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

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



for bonds payable solely or in part from allocated tax proceeds in the allocation area.

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

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

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

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

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

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

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

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

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

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

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

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix

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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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government finance, within the allocation area, as finally determined for the current assessment date.

(3) If:

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

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

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

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

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

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

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

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may

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

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

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

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

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

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

(i) in the allocation area; and

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

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

(K) Expend money and provide financial assistance as

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1 authorized in section 7(a)(21) of this chapter.  
 2 The special fund may not be used for operating expenses of the  
 3 commission.

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

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

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

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

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

30 The county auditor shall allocate to the respective taxing  
 31 units the amount, if any, of excess assessed value  
 32 determined by the commission. The commission may not  
 33 authorize an allocation to the respective taxing units under  
 34 this subdivision if to do so would endanger the interests of  
 35 the holders of bonds described in subdivision (3). **If a**  
 36 **commission fails to provide the notice under this clause,**  
 37 **the county auditor shall allocate five percent (5%) of the**  
 38 **assessed value in the allocation area that is used to**  
 39 **calculate the allocation and distribution of allocated tax**  
 40 **proceeds under this section to the respective taxing**  
 41 **units. However, if the commission notifies the county**  
 42 **auditor and the department of local government finance,**



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

(C) If:

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

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

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

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

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

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

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



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

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

(2) the base assessed value.

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

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

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

(A) Businesses operating in the enterprise zone.

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

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



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

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

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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



to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

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

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

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

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

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

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

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

(3) If:

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

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

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

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adjusted under subsection (h).

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

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

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

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

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

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

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

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

(B) the base assessed value;

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

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

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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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as industrial property under the rules of the department of local government finance.

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

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

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

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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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hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

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

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

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

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

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

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

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

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

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

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

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

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

(A) Businesses operating in the enterprise zone.

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

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

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

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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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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) (before its expiration).

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

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

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of the program, including the following:

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

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

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

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

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

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

(7) For property taxes first due and payable before 2009, to provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

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

STEP TWO: Divide:

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

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

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

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

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

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

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

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

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

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

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

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

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

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

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

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

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

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

(2) 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:

(A) 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 section 26(b)(1) of this chapter; or

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

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



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)



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

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

(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**

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

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

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

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

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

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

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

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



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

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

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

(A) Businesses operating in the enterprise zone.

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

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

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



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 55. IC 36-7-15.1-53, AS AMENDED BY P.L.68-2025, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 53. (a) As used in this section:

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

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

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

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property

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under the rules of the department of local government finance,  
as finally determined for the current assessment date.

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

(b) A resolution adopted under section 40 of this chapter on or  
before the allocation deadline determined under subsection (i) may  
include a provision with respect to the allocation and distribution of  
property taxes for the purposes and in the manner provided in this  
section. A resolution previously adopted may include an allocation  
provision by the amendment of that resolution on or before the  
allocation deadline determined under subsection (i) in accordance with  
the procedures required for its original adoption. A declaratory  
resolution or an amendment that establishes an allocation provision  
must be approved by resolution of the legislative body of the excluded  
city and must specify an expiration date for the allocation provision.  
For an allocation area established before July 1, 2008, the expiration  
date may not be more than thirty (30) years after the date on which the  
allocation provision is established. For an allocation area established  
after June 30, 2008, the expiration date may not be more than  
twenty-five (25) years after the date on which the first obligation was  
incurred to pay principal and interest on bonds or lease rentals on  
leases payable from tax increment revenues. However, with respect to  
bonds or other obligations that were issued before July 1, 2008, if any  
of the bonds or other obligations that were scheduled when issued to  
mature before the specified expiration date and that are payable only  
from allocated tax proceeds with respect to the allocation area remain  
outstanding as of the expiration date, the allocation provision does not  
expire until all of the bonds or other obligations are no longer  
outstanding. The allocation provision may apply to all or part of the  
redevelopment project area. The allocation provision must require that  
any property taxes subsequently levied by or for the benefit of any  
public body entitled to a distribution of property taxes on taxable  
property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

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

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

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

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically

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connected to that allocation area under any lease entered into under IC 36-1-10.

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

(i) in the allocation area; and

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

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

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

(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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

(4) To do any of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

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

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

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

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

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

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



- 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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(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

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

(i) in the allocation area; and

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

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

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will

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

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

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

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

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

(i) If the reuse authority adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the reuse authority makes either of the filings required under section 12(c) or 13(f) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the military base reuse district is located shall compute the 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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(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

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

(i) in the allocation area; and

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

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

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will

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

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

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

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

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

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





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

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

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

(B) the base assessed value;

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

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

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

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

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

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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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allocation area or directly serving or benefiting the allocation area.

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

(i) in the allocation area; and

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

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

(H) Expend money and provide financial assistance as authorized in section 15(26) of this chapter.

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

(4) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivisions (2) and (3).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner

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prescribed in subdivision (1).

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

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

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

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

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

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

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

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

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

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

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

(i) If the development authority adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the development authority makes either of the filings required under section 17(e) or 18(f) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the military base development district 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.

(j) 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).



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

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

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

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

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

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

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount

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determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

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

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

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

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

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

(i) in the allocation area; and

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

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by

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the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(H) Expend money and provide financial assistance as authorized in section 15(26) of this chapter.

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

(4) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivisions (2) and (3).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

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

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

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

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

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

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

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

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

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

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

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

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

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



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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**





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

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

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

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

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

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



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(D) To pay premiums on the redemption before maturity of bonds payable solely or in part from incremental property tax revenue from the district.

(E) To make payments on leases payable from incremental property tax revenue from the district.

(F) To reimburse a municipality in which a district is located for expenditures made by the municipality for local public improvements that are physically located in or physically connected to the district.

(G) To reimburse a municipality for rentals paid by the municipality for a building or parking facility that is physically located in or physically connected to the district under any lease entered into under IC 36-1-10.

(H) To pay expenses incurred by the development authority for local public improvements that are in the district or serving the district.

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

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

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

**(1) that is owned, occupied, and used by a taxpayer that:**

**(A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and**

**(B) has a mission focused on preserving Indiana landmarks;**

**(2) that is used for one (1) or more of the purposes described in IC 6-1.1-10-16;**

**(3) that is a parcel that:**

**(A) was transferred to the taxpayer before January 1, 2024; and**

**(B) is located in Vanderburgh County;**

**(4) on which property taxes were imposed for the 2024 and 2025 assessment dates; and**

**(5) that would have been eligible for an exemption under IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an exemption application had been properly and timely filed under IC 6-1.1 for the property.**

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



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

(e) A property tax exemption application filed as provided in subsection (d) is considered to have been properly and timely filed for each assessment date.

(f) The following apply if the owner of eligible property files a property tax exemption application as provided in subsection (d):

(1) The property tax exemption for the eligible property shall be allowed and granted for the applicable assessment date by the county assessor and county auditor of the county in which the eligible property is located.

(2) The owner of the eligible property is not required to pay any property taxes, penalties, or interest with respect to the eligible property for the applicable assessment date.

(g) The exemption allowed by this SECTION shall be applied without the need for any further ruling or action by the county assessor, the county auditor, or the county property tax assessment board of appeals of the county in which the eligible property is located or by the Indiana board of tax review.

(h) To the extent the owner of the eligible property has paid any property taxes, penalties, or interest with respect to the eligible property for an applicable date and to the extent that the eligible property is exempt from taxation as provided in this SECTION, the owner of the eligible property is entitled to a refund of the amounts paid. The owner is not entitled to any interest on the refund under IC 6-1.1 or any other law to the extent interest has not been paid by or on behalf of the owner. Notwithstanding the filing deadlines for a claim under IC 6-1.1-26, any claim for a refund filed by the owner of eligible property under this SECTION before September 1, 2026, is considered timely filed. The county auditor shall pay the refund due under this SECTION in one (1) installment.

(i) This SECTION expires June 30, 2027.

SECTION 65. [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to assessment dates occurring after December 31, 2025, for property taxes first due and payable in 2027.

(b) This SECTION expires July 1, 2030.

SECTION 66. [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)] (a) The amendments made by this act to:



- 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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