

PRINTING CODE. Deletions appear in ~~this style type~~. Insertions appear in this style type. Typeface changes are shown in ~~this~~ ~~style~~ ~~type~~ or in [this] [style] [type].

## HOUSE BILL No. 1210

Proposed Changes to introduced printing by AM121021

### DIGEST OF PROPOSED AMENDMENT

Township fire and emergency services levies. Restores provisions allowing certain entities to petition for an increase to its maximum ad valorem property tax levy. Prescribes the amount of increase in the levies. Deletes a provision providing that a township's fire equipment replacement fund is part of the township's maximum permissible ad valorem property tax levy.

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  
16 obligated person.**  
17 **The term includes financial advisers, guaranteed investment  
18 contract brokers, third party marketers, placement agents,**

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
a  
r  
k  
u  
p

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



1 website the following:

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

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

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

- 38 (1) IC 6-1.1-39 (economic development districts).
- 39 (2) IC 8-22-3.5 (airport development zones).
- 40 (3) IC 36-7-14 (redevelopment of areas needing redevelopment
- 41 generally).
- 42 (4) IC 36-7-15.1 (redevelopment of areas in Marion County).



M  
a  
r  
k  
u  
p

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

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

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

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

(d) The department of local government finance must review and certify each annual adjustment determined under this section.



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

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

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

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

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

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

(A) If the preliminary base rate for the assessment date would be at least ten percent (10%) greater than the final base rate determined for the preceding assessment date, a 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 approved by the legislative services agency.

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





department of local government finance, or the geographic information office of the office of technology, as applicable.

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

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

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

and

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

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

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

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

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

SECTION 9. IC 6-1.1-7-10.4, AS AMENDED BY P.L.118-2022, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
a  
r  
k  
u  
p

JULY 1, 2026]: Sec. 10.4. (a) This section does not apply to a mobile home that is offered for sale at auction under IC 9-22-1.5 or IC 9-22-1.7 for the transfer resulting from the auction.

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

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

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

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

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

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

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

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

- (1) 50 IAC 5.1-6-6.
- (2) 50 IAC 5.1-6-7.
- (3) 50 IAC 5.1-6-8.
- (4) 50 IAC 5.1-6-9.
- (5) 50 IAC 5.1-8-1.
- (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;



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

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

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

- 21           (1) a pension certificate, an award of compensation, or a  
 22           disability compensation check issued by the United States  
 23           Department of Veterans Affairs if the individual claims the  
 24           deduction provided by section 13 of this chapter;  
 25           (2) a pension certificate or an award of compensation issued by  
 26           the United States Department of Veterans Affairs if the  
 27           individual claims the deduction provided by section 14 of this  
 28           chapter; or  
 29           (3) the appropriate certificate of eligibility issued to the  
 30           individual by the Indiana department of veterans' affairs if the  
 31           individual claims the deduction provided by section 13 or 14 of  
 32           this chapter.

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

41          (d) If the individual claiming a deduction under section 13 or 14  
 42          of this chapter is buying real property, a mobile home not assessed as



1 real property, or a manufactured home not assessed as real property  
 2 under a contract that provides that the individual is to pay property  
 3 taxes for the real estate, mobile home, or manufactured home, the  
 4 statement required by this section must contain the record number and  
 5 page where the contract or memorandum of the contract is recorded.

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

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

12 (A) Residential real property improvements that an  
 13 individual uses as the individual's residence, limited to a  
 14 single house and a single garage, regardless of whether the  
 15 single garage is attached to the single house or detached  
 16 from the single house.

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

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

22 (2) "Homestead" means an individual's principal place of  
 23 residence:

24 (A) that is located in Indiana;

25 (B) that:

26 (i) the individual owns;

27 (ii) the individual is buying under a contract recorded  
 28 in the county recorder's office, or evidenced by a  
 29 memorandum of contract recorded in the county  
 30 recorder's office under IC 36-2-11-20, that provides  
 31 that the individual is to pay the property taxes on the  
 32 residence, and that obligates the owner to convey title  
 33 to the individual upon completion of all of the  
 34 individual's contract obligations;

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

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



M  
a  
r  
k  
u  
p

(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 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);



M  
a  
r  
k  
u  
p

- (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):

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
- (ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

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



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

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

if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

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

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

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

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

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

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

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

(1) Complete, date, and file the certified statement described in subsection (e) on or before January 15 of the calendar year in



M  
a  
r  
k  
u  
p



1 which the property taxes are first due and payable.

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

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

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

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

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

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

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

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

36 (i) This subsection does not apply to property in the first year for  
37 which a deduction is claimed under this section if the sole reason that  
38 a deduction is claimed on other property is that the individual or  
39 married couple maintained a principal residence at the other property  
40 on the assessment date in the same year in which an application for a  
41 deduction is filed under this section or, if the application is for a  
42 homestead that is assessed as personal property, on the assessment date



M  
a  
r  
k  
u  
p

1 in the immediately preceding year and the individual or married couple  
 2 is moving the individual's or married couple's principal residence to the  
 3 property that is the subject of the application. Except as provided in  
 4 subsection (l), the county auditor may not grant an individual or a  
 5 married couple a deduction under this section if:

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

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

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

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

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

42 (1) The names of the county and state in which the individual's



1 spouse claims a deduction substantially similar to the deduction  
2 allowed by this section.

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

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

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

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

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

22 (m) If:

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

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

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

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

40 (1) either:

41 (A) the individual's interest in the homestead as described  
42 in subsection (a)(2)(B) is conveyed to the individual after



- 1 the assessment date, but within the calendar year in which  
 2 the assessment date occurs; or  
 3 (B) the individual contracts to purchase the homestead after  
 4 the assessment date, but within the calendar year in which  
 5 the assessment date occurs;  
 6 (2) on the assessment date:  
 7 (A) the property on which the homestead is currently  
 8 located was vacant land; or  
 9 (B) the construction of the dwelling that constitutes the  
 10 homestead was not completed; and  
 11 (3) either:  
 12 (A) the individual files the certified statement required by  
 13 subsection (e); or  
 14 (B) a sales disclosure form that meets the requirements of  
 15 section 44 of this chapter is submitted to the county assessor  
 16 on or before December 31 of the calendar year for the  
 17 individual's purchase of the homestead.
- 18 An individual who satisfies the requirements of subdivisions (1)  
 19 through (3) is entitled to the deduction under this section for the  
 20 homestead for the assessment date, even if on the assessment date the  
 21 property on which the homestead is currently located was vacant land  
 22 or the construction of the dwelling that constitutes the homestead was  
 23 not completed. The county auditor shall apply the deduction for the  
 24 assessment date and for the assessment date in any later year in which  
 25 the homestead remains eligible for the deduction. A homestead that  
 26 qualifies for the deduction under this section as provided in this  
 27 subsection is considered a homestead for purposes of section 37.5 of  
 28 this chapter and IC 6-1.1-20.6.
- 29 (o) This subsection applies to an application for the deduction  
 30 provided by this section that is filed for an assessment date occurring  
 31 after December 31, 2013. Notwithstanding any other provision of this  
 32 section, an individual buying a mobile home that is not assessed as real  
 33 property or a manufactured home that is not assessed as real property  
 34 under a contract providing that the individual is to pay the property  
 35 taxes on the mobile home or manufactured home is not entitled to the  
 36 deduction provided by this section unless the parties to the contract  
 37 comply with IC 9-17-6-17.
- 38 (p) This subsection:  
 39 (1) applies to an application for the deduction provided by this  
 40 section that is filed for an assessment date occurring after  
 41 December 31, 2013; and  
 42 (2) does not apply to an individual described in subsection (o).



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

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

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

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

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

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

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

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

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

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



property or as a rental property.

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

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

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

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

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

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

(1) a partially completed structure; or

(2) a fully completed structure;

for the assessment date in 2009 or a later year.

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

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

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

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

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

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

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

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

SECTION 16. IC 6-1.1-12.6-4, AS ADDED BY P.L.70-2008,



SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) Subject to section 8 of this chapter, a property owner is entitled to a deduction under this chapter for an assessment date for not more than ~~three (3)~~ **seven (7)** ~~<~~ **>=** model residences in Indiana.

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

(c) The county auditor of the second county shall note on the copy of the statement whether the property owner has claimed a deduction 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 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 buying a residence in inventory located in the second county.

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

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

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

(b) The department of local government finance shall make the



certified statement available on the department's computer gateway.

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

(1) September 1;

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

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

(d) Before the county auditor makes an amendment under subsection (c), the county auditor must provide an opportunity for 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 ~~REPEALED~~[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~~[ 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~~[ IC 36-8-13-4](a)(2), as applicable, for property taxes for any year for which a petition is submitted under this section.

~~— (b) If the township submits a petition as provided in subsection (a) before April 1 of a year, the department of local government finance shall increase the township's maximum permissible ad valorem property tax levy for the township firefighting and emergency services fund under IC 36-8-13-4(a)(1) or the combined levies for the township firefighting fund and township emergency services fund described in IC 36-8-13-4~~[ 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 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~~ 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~~ 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:~~

~~— (1) 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~~ 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~~

[ ~~(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 and~~  
~~emergency services area divided by one hundred (100).~~

>[(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 ~~subsection 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.~~ [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 ~~REPEALED~~ [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 any year thereafter ~~for which a petition is submitted under this section.~~

(b) If a petition is submitted as provided in subsection (a) ~~for any year for which a petition is submitted under this section if the population of the fire protection district'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, 2020, or April 1 of a year thereafter, the department of local government finance shall increase the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in the immediately succeeding year by using the following formula for purposes of subsection (c)(2):

STEP ONE: Determine the percentage increase in the population, as determined by the county legislative body and as may be prescribed by the department of local government finance, that is within the fire protection district area during the ten (10) year period immediately preceding the year in which the petition is submitted under subsection (a). The county legislative 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) ~~August 1 of a year, thereafter,~~ the department of local government finance shall increase the fire protection



district's maximum permissible ad valorem property tax levy 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 county legislative body and as may be prescribed by the department of local government finance, that is within the fire protection district area during the ten (10) year period immediately preceding the year in which the petition is submitted under subsection (a). The county legislative 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 fire protection district's property tax rate within the immediately preceding ten (10) year period that was made based on a petition submitted by the fire protection district under this section:

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

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

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

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

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

**>[ as the lesser of:**

**(1) the sum of:**

**(A) the amount of the ad valorem property tax levy increase for the fire protection district 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 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 <subsection shall be used in the determination of the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in the first year of the increase and thereafter.

>[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 <REPEALED>[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>[ IC 36-8-19-8 ]for <property <taxes <first <due <and <payable in 2023 or for any year thereafter <for which a petition is submitted under this section.

(b) If a petition is submitted as provided in subsection (a) before>[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 <1 of a year thereafter, the department of local government finance shall increase the fire protection territory's maximum permissible ad valorem property tax levy for the fire protection territory fund under IC 36-8-19-8 for





property taxes first due and payable in the immediately succeeding year by using the following formula for purposes of subsection (c)(2):

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

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

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

expressed as a decimal.

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

- (A) >[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 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~~ IC 36-8-19-8 for property taxes first due and payable in a given year, as adjusted under this section, shall be calculated ~~as:~~

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

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

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

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

>[ 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

(B) an amount equal to the result of:

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

(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 <subsubsection 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.>[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

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
a  
r  
k  
u  
p

JULY 1, 2026]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not ~~adopt an ad valorem property tax levy for the immediately preceding calendar year.~~ **exist as of January 1 in the calendar year that immediately precedes the ensuing calendar year.**

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

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

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

(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 reduction of property tax collections referred to in subsection (b).

SECTION 30. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.9-2024, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) This section applies to property taxes first due and payable after December 31, 2009.

(b) The following definitions apply throughout this section:

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

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

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

of a political subdivision payable from ad valorem property taxes.

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

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

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

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

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

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



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,  
 42 2023, issues new bonds or enters into a new lease rental agreement for

2026

IN 1210—LS 6805/DI 134

**DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY**M  
a  
r  
k  
u  
p

1 which the school corporation is imposing or will impose a debt service  
2 levy other than:

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

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

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

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

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

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

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

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

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

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

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

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

40 (d) A school corporation that desires to be an eligible school  
41 corporation under this section must, before May 1 of the year for which  
42 it wants a determination, submit a written request for a certification by



the department of local government finance that the computation of the school corporation's percentage under subsection (c) is correct. The department of local government finance shall, not later than June 1 of that year, determine whether the percentage computed by the school corporation under subsection (c) is accurate and certify whether the school corporation is eligible under this section.

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

STEP ONE: Determine the product of:

(A) the percentage determined under STEP EIGHT of subsection (c); multiplied by

(B) five (5).

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

STEP THREE: Determine the product of:

(A) the amount determined under STEP SIX of subsection (c); multiplied by

(B) the STEP TWO percentage.

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

(f) This section expires January 1, 2027.

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

(1) ~~IC 6-1.1-39-5(h)~~; **IC 6-1.1-39-5(i)**;

(2) IC 8-22-3.5-9(a);

(3) IC 8-22-3.5-9.5;

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

(5) IC 36-7-14-39.2;

(6) IC 36-7-14-39.3(c);





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

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

17 (1) property taxes, as defined in:

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

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

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

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

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



M  
a  
r  
k  
u  
p

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."

(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

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
a  
r  
k  
u  
p

after the date of the sale that the sale of the real property should be forfeited, the county treasurer shall:

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

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

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

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

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

(A) the date of the sale;

(B) the name of the buyer;

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

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

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

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

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

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

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

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

(A) the date of the sale;

(B) the name of the buyer;

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

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

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



M  
a  
r  
k  
u  
p

1 valid.

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

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

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

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

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

34 (b) **An individual or business entity may not bid or purchase**  
35 **a tract or item of real property offered for sale under section 5 or**  
36 **6.1 of this chapter if:**

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

42 **previously purchased a tract or item of real property offered for**



M  
a  
r  
k  
u  
p

1 **sale under section 5 or 6.1 of this chapter and the tract or item of**  
 2 **real property was subsequently included on the list prepared under**  
 3 **section 1 of this chapter.**

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

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

15 (2) the name of:

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

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

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

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

23 (5) the date of sale;

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

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

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

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

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

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

38 (c) A certificate of sale is assignable. However, a purchaser who  
 39 acquires a certificate of sale may not assign the certificate of sale to a  
 40 person who was not eligible under section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this  
 41 chapter to bid on or purchase real property at a tax sale held under  
 42 section 5 or 6.1 of this chapter until the person satisfies the eligibility



M  
a  
r  
k  
u  
p

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 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 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**





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

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

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

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

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

- 30 (1) the net assessed value of all the property as finally
- 31 determined for the assessment date immediately preceding the
- 32 effective date of the allocation provision of the declaratory
- 33 resolution, as adjusted under subsection (f); plus
- 34 (2) to the extent that it is not included in subdivision (1), the net
- 35 assessed value of property that is assessed as residential property
- 36 under the rules of the department of local government finance, ~~<~~
- 37 ~~>~~ [ ] within the economic development district, as finally
- 38 determined for ~~any~~ the current assessment date. ~~after the~~
- 39 ~~effective date of the allocation provision.~~

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



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

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

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

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

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

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

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

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

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

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

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

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

SECTION 40. IC 6-3.6-3-2, AS AMENDED BY P.L.159-2020,



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

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

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

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

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

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



(1) To make the following distributions:

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

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

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

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

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

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

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

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



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

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

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

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

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

located in the county.

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

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

(d) The county fiscal body may adopt an ordinance to require that the tax shall be paid monthly to the county treasurer. If such an ordinance is adopted, the tax shall be paid to the county treasurer not



more than twenty (20) days after the end of the month the tax is collected. If such an ordinance is not adopted, the tax shall be imposed, paid, and collected in exactly the same manner as the state gross retail tax is imposed, paid, and collected under IC 6-2.5.

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

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

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

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

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

(d) **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this section to the department of local government**



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

16 SECTION 44. IC 36-1-12-3, AS AMENDED BY P.L.86-2025,  
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) The board may  
 19 purchase or lease materials in the manner provided in IC 5-22 and  
 20 perform any public work, by means of its own workforce, without  
 21 awarding a contract whenever the cost of that public work project is  
 22 estimated to be less than three hundred seventy-five thousand dollars  
 23 (\$375,000), adjusted annually by ~~the~~ **an amount equal to the**  
 24 **unadjusted** percentage change **for all items** in the Consumer Price  
 25 Index for all Urban Consumers as published by the United States  
 26 Bureau of Labor Statistics **for the immediately preceding year. On**  
 27 **or before January 15, 2026, and on or before January 1 of each**  
 28 **year thereafter**, the department of local government finance shall  
 29 annually publish the adjusted cost estimate threshold for the current  
 30 year, determined in the manner required by this subsection, ~~on the~~  
 31 ~~department's website:~~ **in the Indiana Register under IC 4-22-7-7. For**  
 32 **purposes of applying the annual cost estimate threshold**  
 33 **adjustment, the annual percentage change is applied to the**  
 34 **adjusted amount for the immediately preceding year.**

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

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

- 41 (1) the actual cost of materials, labor, equipment, and rental;
- 42 (2) a reasonable rate for use of trucks and heavy equipment



M  
a  
r  
k  
u  
p

- 1 owned; and  
 2 (3) all other expenses incidental to the performance of the  
 3 project.  
 4 ~~(b)~~ (d) This subsection applies only to a municipality or a county.  
 5 The workforce of a municipality or county may perform a public work  
 6 described in subsection (a) only if:  
 7 (1) the workforce, through demonstrated skills, training, or  
 8 expertise, is capable of performing the public work; and  
 9 (2) for a public work project under subsection (a) whose cost is  
 10 estimated to be more than one hundred thousand dollars  
 11 (\$100,000), the board:  
 12 (A) publishes a notice under IC 5-3-1 that:  
 13 (i) describes the public work that the board intends to  
 14 perform with its own workforce; and  
 15 (ii) sets forth the projected cost of each component of  
 16 the public work as described in subsection (a); and  
 17 (B) determines at a public meeting that it is in the public  
 18 interest to perform the public work with the board's own  
 19 workforce.  
 20 A public work project performed by a board's own workforce must be  
 21 inspected and accepted as complete in the same manner as a public  
 22 work project performed under a contract awarded after receiving bids.  
 23 ~~(c)~~ (e) When the project involves the rental of equipment with an  
 24 operator furnished by the owner, or the installation or application of  
 25 materials by the supplier of the materials, the project is considered to  
 26 be a public work project and subject to this chapter. However, an  
 27 annual contract may be awarded for equipment rental and materials to  
 28 be installed or applied during a calendar or fiscal year if the proposed  
 29 project or projects are described in the bid specifications.  
 30 ~~(d)~~ (f) A board of aviation commissioners or an airport authority  
 31 board may purchase or lease materials in the manner provided in  
 32 IC 5-22 and perform any public work by means of its own workforce  
 33 and owned or leased equipment, in the construction, maintenance, and  
 34 repair of any airport roadway, runway, taxiway, or aircraft parking  
 35 apron whenever the cost of that public work project is estimated to be  
 36 less than one hundred fifty thousand dollars (\$150,000).  
 37 ~~(e)~~ (g) Municipal and county hospitals must comply with this  
 38 chapter for all contracts for public work that are financed in whole or  
 39 in part with cumulative building fund revenue, as provided in section  
 40 1(c) of this chapter. However, if the cost of the public work is  
 41 estimated to be less than fifty thousand dollars (\$50,000), as reflected  
 42 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

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

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

(B) (2) The:

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

(ii) (B) wastewater usage costs; and

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

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

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

(i) (A) stipulated savings; and

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

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

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

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

(2) either:



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

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

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

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

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

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

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

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

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

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

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

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

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

(B) to the extent that it is not included in clause (A), the net



assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for the current assessment date.

(3) If:

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

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

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

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this



chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. Notwithstanding any other law, in the case of an allocation area that is established after June 30, 2019, and that is located in a redevelopment project area described in section 25.1(c)(3)(C) of this chapter, an economic development area described in section 25.1(c)(3)(C) of this chapter, or an urban renewal project area described in section 25.1(c)(3)(C) of this chapter, the expiration date of the allocation provision may not be more than thirty-five (35) years after the date on which the allocation provision is established. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution



M  
a  
r  
k  
u  
p

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 (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 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.



M  
a  
r  
k  
u  
p

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

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

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

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

STEP TWO: Divide:

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

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

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

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the



allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

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

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

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

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

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

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

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



M  
a  
r  
k  
u  
p



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

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

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

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



M  
a  
r  
k  
u  
p

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

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

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

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

(A) the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds



M  
a  
r  
k  
u  
p

1 described in subdivision (4) for the project; plus  
 2 (B) the amount necessary for other purposes described in  
 3 subdivision (4) for the project;  
 4 the amount of the excess assessed value that generates more than  
 5 two hundred percent (200%) of the amounts described in clauses  
 6 (A) and (B) shall be allocated to the respective taxing units in  
 7 the manner prescribed by subdivision (1).  
 8 (c) For the purpose of allocating taxes levied by or for any taxing  
 9 unit or units, the assessed value of taxable property in a territory in the  
 10 allocation area that is annexed by any taxing unit after the effective  
 11 date of the allocation provision of the declaratory resolution is the  
 12 lesser of:  
 13 (1) the assessed value of the property for the assessment date  
 14 with respect to which the allocation and distribution is made; or  
 15 (2) the base assessed value.  
 16 (d) Property tax proceeds allocable to the redevelopment district  
 17 under subsection (b)(4) may, subject to subsection (b)(5), be  
 18 irrevocably pledged by the redevelopment district for payment as set  
 19 forth in subsection (b)(4).  
 20 (e) Notwithstanding any other law, each assessor shall, upon  
 21 petition of the redevelopment commission, reassess the taxable  
 22 property situated upon or in, or added to, the allocation area, effective  
 23 on the next assessment date after the petition.  
 24 (f) Notwithstanding any other law, the assessed value of all taxable  
 25 property in the allocation area, for purposes of tax limitation, property  
 26 tax replacement, and formulation of the budget, tax rate, and tax levy  
 27 for each political subdivision in which the property is located is the  
 28 lesser of:  
 29 (1) the assessed value of the property as valued without regard  
 30 to this section; or  
 31 (2) the base assessed value.  
 32 (g) If any part of the allocation area is located in an enterprise zone  
 33 created under IC 5-28-15, the unit that designated the allocation area  
 34 shall create funds as specified in this subsection. A unit that has  
 35 obligations, bonds, or leases payable from allocated tax proceeds under  
 36 subsection (b)(4) shall establish an allocation fund for the purposes  
 37 specified in subsection (b)(4) and a special zone fund. Such a unit  
 38 shall, until the end of the enterprise zone phase out period, deposit each  
 39 year in the special zone fund any amount in the allocation fund derived  
 40 from property tax proceeds in excess of those described in subsection  
 41 (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone  
 42 that exceeds the amount sufficient for the purposes specified in



M  
a  
r  
k  
u  
p

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

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **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**  
**is used to calculate the allocation and distribution of allocated tax**  
**proceeds under this section to the respective taxing units. However,**  
**if the redevelopment commission notifies the county auditor and**  
**the department of local government finance, no later than July 15,**  
**that it is unable to meet its debt service obligations with regard to**  
**the allocation area without all or part of the allocated tax proceeds**  
**attributed to the assessed value that has been allocated to the**  
**respective taxing units, then the county auditor may not allocate**  
**five percent (5%) of the assessed value in the allocation area that**  
**is used to calculate the allocation and distribution of allocated tax**  
**proceeds under this section to the respective taxing units.**

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

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

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

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

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

(B) specifically designates a particular date as the final



M  
a  
r  
k  
u  
p

1 allocation deadline.

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

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

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

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

18 SECTION 48. IC 36-7-14-48, AS AMENDED BY P.L.236-2023,  
19 SECTION 180, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) Notwithstanding section  
21 39(a) of this chapter, with respect to the allocation and distribution of  
22 property taxes for the accomplishment of a program adopted under  
23 section 45 of this chapter, "base assessed value" means, subject to  
24 section 39(j) of this chapter, the net assessed value of all of the  
25 property, other than personal property, as finally determined for the  
26 assessment date immediately preceding the effective date of the  
27 allocation provision, as adjusted under section 39(h) of this chapter.

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

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

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

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

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

40 (5) The provision of financial assistance to enable individuals  
41 and families to purchase or lease residential units within the  
42 allocation area. However, financial assistance may be provided



only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

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

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

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

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

STEP TWO: Divide:

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

(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:

(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



M  
a  
r  
k  
u  
p

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

- (A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or
- (B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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



M  
a  
r  
k  
u  
p

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

(1) property taxes, as described in:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

(3) If:

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

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

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

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

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

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

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment



1 commission adopted before June 1, 1987, a resolution to include within  
 2 the definition of property taxes, taxes imposed under IC 6-1.1 on  
 3 depreciable personal property that has a useful life in excess of eight  
 4 (8) years, the commission may by resolution determine the percentage  
 5 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 6 that will be included within the definition of property taxes. However,  
 7 the percentage included must not exceed twenty-five percent (25%) of  
 8 the taxes imposed under IC 6-1.1 on all depreciable personal property.

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



M  
a  
r  
k  
u  
p

the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

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

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

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

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





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

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

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

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

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

(i) in the allocation area; and

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

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

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

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



payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

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

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

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3). **If a**



M  
a  
r  
k  
u  
p

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

(C) If:

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

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

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

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

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

(d) Property tax proceeds allocable to the redevelopment district



1 under subsection (b)(3) may, subject to subsection (b)(4), be  
 2 irrevocably pledged by the redevelopment district for payment as set  
 3 forth in subsection (b)(3).

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

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

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

15 (2) the base assessed value.

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

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

41 (2) To make loans and grants for the purpose of stimulating  
 42 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**



M  
a  
r  
k  
u  
p

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

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

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

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

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

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

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

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

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

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

38 (k) For an allocation area established after June 30, 2024,  
 39 "residential property" refers to the assessed value of property that is  
 40 allocated to the one percent (1%) homestead land and improvement  
 41 categories in the county tax and billing software system, along with the  
 42 residential assessed value as defined for purposes of calculating the



M  
a  
r  
k  
u  
p

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



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



M  
a  
r  
k  
u  
p



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

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

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

(B) the base assessed value;

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

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public



question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

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

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

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

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

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

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

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

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

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

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



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

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

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

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

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

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

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

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



principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

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

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

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

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

(C) If:

(i) the amount of excess assessed value determined by



M  
a  
r  
k  
u  
p

1 the commission is expected to generate more than two  
 2 hundred percent (200%) of the amount of allocated tax  
 3 proceeds necessary to make, when due, principal and  
 4 interest payments on bonds described in subdivision  
 5 (3); plus  
 6 (ii) the amount necessary for other purposes described  
 7 in subdivision (3) and subsection (g);  
 8 the commission shall submit to the legislative body of the  
 9 unit the commission's determination of the excess assessed  
 10 value that the commission proposes to allocate to the  
 11 respective taxing units in the manner prescribed in  
 12 subdivision (1). The legislative body of the unit may  
 13 approve the commission's determination or modify the  
 14 amount of the excess assessed value that will be allocated  
 15 to the respective taxing units in the manner prescribed in  
 16 subdivision (1).

17 (c) For the purpose of allocating taxes levied by or for any taxing  
 18 unit or units, the assessed value of taxable property in a territory in the  
 19 allocation area that is annexed by any taxing unit after the effective  
 20 date of the allocation provision of the resolution is the lesser of:  
 21 (1) the assessed value of the property for the assessment date  
 22 with respect to which the allocation and distribution is made; or  
 23 (2) the base assessed value.

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

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

32 (f) Notwithstanding any other law, the assessed value of all taxable  
 33 property in the allocation area, for purposes of tax limitation, property  
 34 tax replacement, and formulation of the budget, tax rate, and tax levy  
 35 for each political subdivision in which the property is located is the  
 36 lesser of:  
 37 (1) the assessed value of the property as valued without regard  
 38 to this section; or  
 39 (2) the base assessed value.

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



M  
a  
r  
k  
u  
p

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 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) (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 of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units





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



1 allocation fund, including the amount that would have been  
2 allocated but for the credit.

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

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

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

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

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

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

31 (1) Accomplish one (1) or more of the actions set forth in section  
32 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

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

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

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

42 (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 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**



M  
a  
r  
k  
u  
p

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

(g) This subsection applies to an allocation area only to the extent 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 6-1.1-20.9-1 (before its repeal)) 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 54. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: 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 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.

(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 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.



M  
a  
r  
k  
u  
p

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 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



M  
a  
r  
k  
u  
p



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

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

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

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

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

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

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



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

(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)



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



M  
a  
r  
k  
u  
p

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 commission fails to provide the notice under this clause, the county auditor shall allocate five percent (5%) of the**



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

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

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

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

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

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

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

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



M  
a  
r  
k  
u  
p

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 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



M  
a  
r  
k  
u  
p



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

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

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may



M  
a  
r  
k  
u  
p

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 56. IC 36-7-15.1-62, AS AMENDED BY P.L.257-2019, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding section 26(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 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 for local public improvements (which include buildings, parking facilities, and other items described in section 17(a) of this chapter) that are physically located in or physically connected to the allocation area.

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

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



necessary to:

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

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

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

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

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. **If a commission fails to provide the notice under subdivision (2), the county auditor shall allocate five percent (5%) 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

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
a  
r  
k  
u  
p

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 property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The 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 are 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 military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district 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 military base reuse district or any other entity for the purpose of financing or refinancing military base 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 reuse authority, including lease rental revenues.

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

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

(E) Pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public



improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

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

(i) in the allocation area; and

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

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

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

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

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

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

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area.

The notice must:

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

(ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner



M  
a  
r  
k  
u  
p

prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 19 of this chapter.

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

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

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

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

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

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

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection



M  
a  
r  
k  
u  
p



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

(h) After each reassessment of real property in an area under the county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property 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~~



M  
a  
r  
k  
u  
p

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 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).

SECTION 58. IC 36-7-30-25, AS AMENDED BY P.L.68-2025, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 25. (a) The following definitions apply throughout this section:

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



1 distribution and allocation of property taxes.

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

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

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

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

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

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

24 (b) A declaratory resolution adopted under section 10 of this  
25 chapter before the date set forth in IC 36-7-14-39(b) pertaining to  
26 declaratory resolutions adopted under IC 36-7-14-15 may include a  
27 provision with respect to the allocation and distribution of property  
28 taxes for the purposes and in the manner provided in this section. A  
29 declaratory resolution previously adopted may include an allocation  
30 provision by the amendment of that declaratory resolution in  
31 accordance with the procedures set forth in section 13 of this chapter.  
32 The allocation provision may apply to all or part of the military base  
33 reuse area. The allocation provision must require that any property  
34 taxes subsequently levied by or for the benefit of any public body  
35 entitled to a distribution of property taxes on taxable property in the  
36 allocation area be allocated and distributed as follows:

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

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

42 (B) the base assessed value;



M  
a  
r  
k  
u  
p

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 are 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 military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district 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 military base reuse district or any other entity for the purpose of financing or refinancing military base 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 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



M  
a  
r  
k  
u  
p

are located:

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

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

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

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

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

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

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area.

The notice must:

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under



M  
a  
r  
k  
u  
p

1 this subdivision if to do so would endanger the interest of  
 2 the holders of bonds described in subdivision (3) or lessors  
 3 under section 19 of this chapter.

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

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

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

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

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

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

27 (g) If any part of the allocation area is located in an enterprise zone  
 28 created under IC 5-28-15, the unit that designated the allocation area  
 29 shall create funds as specified in this subsection. A unit that has  
 30 obligations, bonds, or leases payable from allocated tax proceeds under  
 31 subsection (b)(3) shall establish an allocation fund for the purposes  
 32 specified in subsection (b)(3) and a special zone fund. Such a unit  
 33 shall, until the end of the enterprise zone phase out period, deposit each  
 34 year in the special zone fund any amount in the allocation fund derived  
 35 from property tax proceeds in excess of those described in subsection  
 36 (b)(1) and (b)(2) from property located in the enterprise zone that  
 37 exceeds the amount sufficient for the purposes specified in subsection  
 38 (b)(3) for the year. The amount sufficient for purposes specified in  
 39 subsection (b)(3) for the year shall be determined based on the pro rata  
 40 part of such current property tax proceeds from the part of the  
 41 enterprise zone that is within the allocation area as compared to all  
 42 such current property tax proceeds derived from the allocation area. A



M  
a  
r  
k  
u  
p

unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each reassessment of real property in an area under the county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property 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**



M  
a  
r  
k  
u  
p

1 allocation and distribution of allocated tax proceeds under this  
 2 section to the respective taxing units. However, if the reuse  
 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 reuse authority adopts a declaratory resolution or an  
 13 amendment to a declaratory resolution that contains an allocation  
 14 provision and the reuse authority makes either of the filings required  
 15 under section 12(c) or 13(f) of this chapter after the first anniversary of  
 16 the effective date of the allocation provision, the auditor of the county  
 17 in which the military base reuse district is located shall compute the  
 18 base assessed value for the allocation area using the assessment date  
 19 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 59. IC 36-7-30.5-30, AS AMENDED BY  
 32 P.L.174-2022, SECTION 75, IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 30. (a) The following  
 34 definitions apply throughout this section:

35 (1) "Allocation area" means that part of a military base  
 36 development area to which an allocation provision of a  
 37 declaratory resolution adopted under section 16 of this chapter  
 38 refers for purposes of distribution and allocation of property  
 39 taxes.

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

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





the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

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

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

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

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

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

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

(B) the base assessed value;

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

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included



in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

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

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

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

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

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

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

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

STEP TWO: Divide:

(i) that part of each county's eligible property tax 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 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).

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

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

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

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

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



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

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

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

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



M  
a  
r  
k  
u  
p

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

36 (i) If the development authority adopts a declaratory resolution or  
 37 an amendment to a declaratory resolution that contains an allocation  
 38 provision and the development authority makes either of the filings  
 39 required under section 17(e) or 18(f) of this chapter after the first  
 40 anniversary of the effective date of the allocation provision, the auditor  
 41 of the county in which the military base development district is located  
 42 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).

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

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

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

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

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

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

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

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to



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

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

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

17 (B) the base assessed value;

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

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

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

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

39 (B) Establish, augment, or restore the debt service reserve  
 40 for bonds payable solely or in part from allocated tax  
 41 proceeds in that allocation area or from other revenues of  
 42 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 allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses



M  
a  
r  
k  
u  
p

1 incurred in training employees of industrial facilities that  
2 are located:

3 (i) in the allocation area; and

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

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

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

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

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

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

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

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

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

40 The county auditors shall allocate to the respective taxing  
41 units the amount, if any, of excess assessed value  
42 determined by the development authority. The development



M  
a  
r  
k  
u  
p

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

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

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

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

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

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

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

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes



M  
a  
r  
k  
u  
p

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 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~~



M  
a  
r  
k  
u  
p

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) (before its expiration).

SECTION 61. IC 36-7-32-19, AS AMENDED BY P.L.86-2018, SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the



M  
a  
r  
k  
u  
p

1 implementation of an allocation area under this chapter.

2 (b) After each reassessment of real property in an area under a  
 3 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~  
 4 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 5 **by the department of local government finance**, adjust the base  
 6 assessed value one (1) time to neutralize any effect of the reassessment  
 7 of the real property in the area on the property tax proceeds allocated  
 8 to the certified technology park fund under section 17 of this chapter.  
 9 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~  
 10 ~~local government finance~~ **county auditor** shall, **on forms prescribed**  
 11 **by the department of local government finance**, adjust the base  
 12 assessed value to neutralize any effect of the annual adjustment on the  
 13 property tax proceeds allocated to the certified technology park fund  
 14 under section 17 of this chapter.

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

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

(b) 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 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 local innovation development district fund established by section 19 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the local innovation development district fund established by section 19 of this chapter.

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

SECTION 63. IC 36-7.5-4.5-18, AS AMENDED BY P.L.236-2023, SECTION 194, IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is  
 2 established, the following apply to the administration and use of  
 3 incremental property tax revenue by the development authority, or a  
 4 redevelopment commission in the case of a district located in a cash  
 5 participant county, in the district:

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

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

36 (3) Incremental property tax revenue may be used only for one

37 (1) or more of the following purposes for a district:

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

41 (B) To pay the principal of and interest on any obligations  
 42 that are incurred for the purpose of financing or refinancing



M  
a  
r  
k  
u  
p



development in the district, including local public improvements that are physically located in or physically connected to the district.

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

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

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

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

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

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

~~← SECTION 64. IC 36-8-19-8.5, AS AMENDED BY P.L. 255-2017, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of each participating unit must adopt an ordinance (in the case of a county or municipality) or a resolution (in the case of a township or fire protection district), and the following requirements must be met:~~

- ~~— (1) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other participating units under this section;~~
- ~~— (2) Before adopting the ordinance or resolution, each participating unit must comply with the notice and hearing requirements of IC 6-1.1-41-3;~~
- ~~— (3) The ordinance or resolution authorizes the provider unit to establish the fund;~~
- ~~— (4) The ordinance or resolution includes at least the following:~~
  - ~~— (A) The name of each participating unit and the provider unit;~~



M  
a  
r  
k  
u  
p

- 1 ~~—— (B) An agreement to impose a uniform tax rate upon all of~~  
 2 ~~the taxable property within the territory for the equipment~~  
 3 ~~replacement fund.~~  
 4 ~~—— (C) The contents of the agreement to establish the fund:~~  
 5 ~~An ordinance or a resolution adopted under this section takes effect as~~  
 6 ~~provided in IC 36-1-1-41.~~  
 7 ~~—— (b) If a fund is established, the participating units may agree to:~~  
 8 ~~—— (1) impose a property tax to provide for the accumulation of~~  
 9 ~~money in the fund to purchase fire protection equipment;~~  
 10 ~~—— (2) incur debt to purchase fire protection equipment and impose~~  
 11 ~~a property tax to retire the loan; or~~  
 12 ~~—— (3) transfer an amount from the fire protection territory fund to~~  
 13 ~~the fire equipment replacement fund not to exceed five percent~~  
 14 ~~(5%) of the levy for the fire protection territory fund for that~~  
 15 ~~year;~~  
 16 ~~or any combination of these options:~~  
 17 ~~—— (c) The property tax rate for the levy imposed under this section is~~  
 18 ~~**considered part of the maximum permissible ad valorem property**~~  
 19 ~~**tax levy and** may not exceed three and thirty three hundredths cents~~  
 20 ~~(\$0.0333) per one hundred dollars (\$100) of assessed value. Before~~  
 21 ~~debt may be incurred, the fiscal body of a participating unit must adopt~~  
 22 ~~an ordinance (in the case of a county or municipality) or a resolution~~  
 23 ~~(in the case of a township or fire protection district) that specifies the~~  
 24 ~~amount and purpose of the debt. The ordinance or resolution must be~~  
 25 ~~identical to the other ordinances and resolutions adopted by the~~  
 26 ~~participating units. Except as provided in subsection (d), if debt is to be~~  
 27 ~~incurred for the purposes of a fund, the provider unit shall negotiate for~~  
 28 ~~and hold the debt on behalf of the territory. However, the participating~~  
 29 ~~units and the provider unit of the territory are jointly liable for any debt~~  
 30 ~~incurred by the provider unit for the purposes of the fund. The most~~  
 31 ~~recent adjusted value of taxable property for the entire territory must be~~  
 32 ~~used to determine the debt limit under IC 36-1-15-6. A provider unit~~  
 33 ~~shall comply with all general statutes and rules relating to the~~  
 34 ~~incurrence of debt under this subsection:~~  
 35 ~~—— (d) A participating unit of a territory may, to the extent allowed by~~  
 36 ~~law, incur debt in the participating unit's own name to acquire fire~~  
 37 ~~protection equipment or other property that is to be owned by the~~  
 38 ~~participating unit. A participating unit that acquires fire protection~~  
 39 ~~equipment or other property under this subsection may afterward enter~~  
 40 ~~into an interlocal agreement under IC 36-1-7 with the provider unit to~~  
 41 ~~furnish the fire protection equipment or other property to the provider~~  
 42 ~~unit for the provider unit's use or benefit in accomplishing the purposes~~



1 of the territory. A participating unit shall comply with all general  
2 statutes and rules relating to the incurrence of debt under this  
3 subsection:

4 — (c) Money in the fund may be used by the provider unit only for  
5 those purposes set forth in the agreement among the participating units  
6 that permits the establishment of the fund:

7 — (f) The requirements and procedures specified in IC 6-1.1-41  
8 concerning the establishment or reestablishment of a cumulative fund,  
9 the imposing of a property tax for a cumulative fund, and the increasing  
10 of a property tax rate for a cumulative fund apply to:

11 — (1) the establishment or reestablishment of a fund under this  
12 section;

13 — (2) the imposing of a property tax for a fund under this section;  
14 and

15 — (3) the increasing of a property tax rate for a fund under this  
16 section:

17 — (g) Notwithstanding IC 6-1.1-18-12, if a fund established under  
18 this section is reestablished in the manner provided in IC 6-1.1-41, the  
19 property tax rate imposed for the fund in the first year after the fund is  
20 reestablished may not exceed three and thirty-three hundredths cents  
21 (\$0.0333) per one hundred dollars (\$100) of assessed value:

22 > SECTION 6<5>[\[4\]](#). [EFFECTIVE JANUARY 1, 2024  
23 (RETROACTIVE)] (a) This SECTION applies notwithstanding  
24 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or  
25 provision.

26 (b) This SECTION applies to assessment dates after December  
27 31, 2023, and before January 1, 2026.

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

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

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

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

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

37 (3) that is a parcel that:

38 (A) was transferred to the taxpayer before January 1,  
39 2024; and

40 (B) is located in Vanderburgh County;

41 (4) on which property taxes were imposed for the 2024 and  
42 2025 assessment dates; and



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

(d) Before September 1, 2026, the owner of eligible property may file a property tax exemption application and supporting documents claiming a property tax exemption under this SECTION for the eligible property for the 2024 and 2025 assessment dates.

(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 6-6-5. [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M  
a  
r  
k  
u  
p

assessment dates occurring after December 31, 2025, for property taxes first due and payable in 2027.

(b) This SECTION expires July 1, 2030.

SECTION 6~~6~~<sup>[6]</sup>. [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)] (a) The amendments made by this act to:

(1) IC 6-1.1-12.6-2;

(2) IC 6-1.1-12.6-4;

(3) IC 6-1.1-12.6-8;

(4) IC 6-1.1-12.8-3;

(5) IC 6-1.1-12.8-4;

(6) IC 6-1.1-12.8-9; and

(7) IC 6-1.1-12.8-10;

apply to assessment dates occurring after December 31, 2025.

(b) This SECTION expires January 1, 2028.

SECTION 6~~6~~<sup>[7]</sup>. [EFFECTIVE UPON PASSAGE] (a) IC 6-3.6-6-3 was amended by P.L.137-2024, SECTION 9, effective July 1, 2024, until July 1, 2027, and by P.L.68-2025, SECTION 124, effective July 1, 2027. The general assembly recognizes that this act amends, effective July 1, 2026, the version of IC 6-3.6-6-3 amended by P.L.137-2024, SECTION 9. The general assembly intends for the version of IC 6-3.6-6-3:

~~6~~<sup>[7]</sup> (1) as amended by this act, to expire July 1, 2027; and

(2) as amended by P.L.68-2025, SECTION 124, to take effect July 1, 2027.

(b) This SECTION expires December 31, 2027.

SECTION 6~~6~~<sup>[8]</sup>. An emergency is declared for this act.

1

