
HOUSE BILL No. 1210

AM121039 has been incorporated into introduced printing.

Synopsis: Department of local government finance.

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Introduced

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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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HOUSE BILL No. 1210

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

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

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

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1 **obligated person.**
2 **The term includes financial advisers, guaranteed investment**
3 **contract brokers, third party marketers, placement agents,**
4 **solicitors, finders, and swap advisers who engage in municipal**
5 **advisory activities.**
6 **(c) As used in this section, "municipal entity" refers to:**
7 **(1) a county;**
8 **(2) a township;**
9 **(3) a city;**
10 **(4) a town;**
11 **(5) a school corporation;**
12 **(6) a special taxing district;**
13 **(7) an instrumentality of an entity listed in subdivisions (1)**
14 **through (6); and**
15 **(8) any other entity required to sell bonds pursuant to**
16 **IC 5-1-11.**
17 **(d) As used in this section, "municipal financial products"**
18 **means municipal derivatives, guaranteed investment contracts, and**
19 **investment strategies.**
20 **(e) As used in this section, "obligated person" means any**
21 **person who is committed under a contract or another arrangement**
22 **to support the payment of all or part of the obligations on**
23 **municipal securities to be sold in an offering.**
24 **(f) As used in this section, "solicitation of a municipal entity or**
25 **obligated person" has the meaning set forth in 15 U.S.C.**
26 **78o-4(e)(9).**
27 **(g) If a municipal entity hires or retains a municipal adviser,**
28 **the municipal entity shall complete a competitive process at least**
29 **once every two (2) years to select the municipal adviser. The**
30 **competitive process must include the issuance of a request for**
31 **proposals or request for qualifications that allows the municipal**
32 **entity to compare qualifications and select the most qualified**
33 **municipal adviser based on the scope of services and evaluation**
34 **criteria outlined in the request for proposals or request for**
35 **qualifications.**
36 **(h) The municipal entity shall publish a contract entered into**
37 **with a municipal adviser in a prominent location on the municipal**
38 **entity's website.**
39 **SECTION 2. IC 5-14-3.8-3, AS AMENDED BY P.L.1-2025,**
40 **SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
41 **JULY 1, 2026]: Sec. 3. The department, working with the office of**
42 **technology established by IC 4-13.1-2-1, or another organization that**

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

36 (2) Require that assessing officials:

37 (A) reevaluate the factors that affect value;

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

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

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



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

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

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

9 (b) The county assessor shall:

10 (1) maintain an electronic data file of:

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

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

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

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

19 (A) the legislative services agency; and

20 (B) the department of local government finance;

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

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

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

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

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

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

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

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

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1 approved by the legislative services agency.

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

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

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

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

21 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (m) If:

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

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

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

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

12 (1) either:

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

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

20 (2) on the assessment date:

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

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

25 (3) either:

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

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

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

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1 this chapter and IC 6-1.1-20.6.

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

11 (p) This subsection:
12 (1) applies to an application for the deduction provided by this
13 section that is filed for an assessment date occurring after
14 December 31, 2013; and
15 (2) does not apply to an individual described in subsection (o).
16 The owner of a mobile home that is not assessed as real property or a
17 manufactured home that is not assessed as real property must attach a
18 copy of the owner's title to the mobile home or manufactured home to
19 the application for the deduction provided by this section.

20 (q) For assessment dates after 2013, the term "homestead"
21 includes property that is owned by an individual who:
22 (1) is serving on active duty in any branch of the armed forces of
23 the United States;
24 (2) was ordered to transfer to a location outside Indiana; and
25 (3) was otherwise eligible, without regard to this subsection, for
26 the deduction under this section for the property for the
27 assessment date immediately preceding the transfer date
28 specified in the order described in subdivision (2).

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

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

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

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

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

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

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

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

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

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

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

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

32 (1) a partially completed structure; or

33 (2) a fully completed structure;

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

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

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

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

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

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

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

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

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

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

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

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

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

8 under this section.

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

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

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

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

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

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

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

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

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

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

32 (1) September 1;

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

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

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

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

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

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

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

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

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

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

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

37 SECTION 23. IC 6-1.1-18-28 IS REPEALED [EFFECTIVE JULY
 38 1, 2026]. Sec. 28: (a) The executive of a township may, upon approval
 39 by the township fiscal body, submit a petition to the department of local
 40 government finance for an increase in the township's maximum
 41 permissible ad valorem property tax levy for its township firefighting
 42 and emergency services fund under IC 36-8-13-4(a)(1) or the levies for



1 the township firefighting fund and township emergency services fund
2 described in IC 36-8-13-4(a)(2); as applicable; for property taxes for
3 any year for which a petition is submitted under this section:

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

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

23 STEP TWO: Determine the greater of zero (0) or the result of:
24 (A) the STEP ONE percentage; minus
25 (B) six percent (6%);
26 expressed as a decimal.

27 STEP THREE: Determine a rate that is the lesser of:
28 (A) fifteen-hundredths (0.15); or
29 (B) the STEP TWO result.

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

37 (c) The township's maximum permissible ad valorem property tax
38 levy for its township firefighting and emergency services fund under
39 IC 36-8-13-4(a)(1) or the combined levies for the township firefighting
40 fund and township emergency services fund described in
41 IC 36-8-13-4(a)(2) for property taxes first due and payable in a given

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1 year, as adjusted under this section, shall be calculated as:

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

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

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

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

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

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

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

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

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

40 (A) the STEP ONE percentage; minus

41 (B) six percent (6%);

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1 expressed as a decimal:

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

3 (A) fifteen-hundredths (0.15); or

4 (B) the STEP TWO result.

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

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

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

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

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

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

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

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

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

40 STEP ONE: Determine the percentage increase in the
41 population, as determined by the provider unit's fiscal body and

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

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

9 (A) the STEP ONE percentage; minus

10 (B) six percent (6%);

11 expressed as a decimal.

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

13 (A) fifteen-hundredths (0.15); or

14 (B) the STEP TWO result.

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

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

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

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

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

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

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

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

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

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

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

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

40 (b) Before July 15 of each year, the department of local
 41 government finance shall provide to each county, city, and town an

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1 estimate of the maximum permissible property tax rate per one hundred
 2 dollars (\$100) of assessed valuation that the county, city, or town may
 3 impose for the ensuing year under IC 36-9-14.5 (in the case of a
 4 county) or IC 36-9-15.5 (in the case of a city or town).

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

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

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

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

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

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

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

41 SECTION 30. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.9-2024,

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1 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) This section applies to
 3 property taxes first due and payable after December 31, 2009.

4 (b) The following definitions apply throughout this section:

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

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

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

10 of a political subdivision payable from ad valorem property
 11 taxes.

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

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

17 (B) Property taxes imposed by a political subdivision to pay
 18 for debt service obligations of a political subdivision that
 19 are not exempted from the application of a credit granted
 20 under section 7 or 7.5 of this chapter by section 7(b), 7(c),
 21 7.5(b), or 7.5(c) of this chapter or any other law. Property
 22 taxes described in this clause are subject to the credit
 23 granted under section 7 or 7.5 of this chapter by section
 24 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter regardless of their
 25 designation as protected taxes.

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

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

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

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

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

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1 levy other than:
2 (1) to refinance or renew prior bond or lease rental obligations
3 existing before January 1, 2024, but only if the refinancing or
4 renewal is for a lower interest rate; or
5 (2) indebtedness that is approved in a local public question or
6 referendum under IC 6-1.1-20 or any other law.
7 (c) Subject to subsection (a) (before January 1, 2024) and
8 subsection (b) (after December 31, 2023), a school corporation is
9 eligible to allocate credits proportionately under this section for 2019,
10 2020, 2021, 2022, 2023, 2024, 2025, or 2026 if the school corporation's
11 percentage computed under this subsection is at least ten percent (10%)
12 for its operations fund levy as certified by the department of local
13 government finance. A school corporation shall compute its percentage
14 under this subsection as determined under the following formula:
15 STEP ONE: Determine the amount of credits granted under this
16 chapter against the school corporation's levy for the school
17 corporation's operations fund.
18 STEP TWO: Determine the amount of the school corporation's
19 levy that is attributable to new debt incurred after June 30, 2019,
20 but is not attributable to the debt service levy described in
21 subsection (a)(1)(B) (before January 1, 2024) or subsection
22 (b)(2) (after December 31, 2023).
23 STEP THREE: Determine the result of the school corporation's
24 total levy minus any referendum levy.
25 STEP FOUR: Subtract the STEP TWO amount from the STEP
26 THREE amount.
27 STEP FIVE: Divide the STEP FOUR amount by the STEP
28 THREE amount expressed as a percentage.
29 STEP SIX: Multiply the STEP ONE amount by the STEP FIVE
30 percentage.
31 STEP SEVEN: Determine the school corporation's levy for the
32 school corporation's operations fund.
33 STEP EIGHT: Divide the STEP SIX amount by the STEP
34 SEVEN amount expressed as a percentage.
35 The computation must be made by taking into account the requirements
36 of section 9.8 of this chapter regarding protected taxes and the impact
37 of credits granted under this chapter on the revenue to be distributed to
38 the school corporation's operations fund for the particular year.
39 (d) A school corporation that desires to be an eligible school
40 corporation under this section must, before May 1 of the year for which
41 it wants a determination, submit a written request for a certification by

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

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

15 STEP ONE: Determine the product of:

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

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

21 STEP THREE: Determine the product of:

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

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

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

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

- 37 (1) ~~IC 6-1.1-39-5(h)~~; **IC 6-1.1-39-5(i)**;
 38 (2) IC 8-22-3.5-9(a);
 39 (3) IC 8-22-3.5-9.5;
 40 (4) IC 36-7-14-39(a);
 41 (5) IC 36-7-14-39.2;

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

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

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

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

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

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

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

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1 certified mail, a copy of the notice required by section 2 of this
2 chapter to the:

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

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

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

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

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

40 (b) If a person purchases real property that the person was not
41 eligible to purchase under section 5.1, 5.3, or 5.4, or 5.9 of this chapter,
42 the sale of the real property is subject to forfeiture. If the county

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1 treasurer determines or is notified not more than forty-five (45) days
 2 after the date of the sale that the sale of the real property should be
 3 forfeited, the county treasurer shall:

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

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

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

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

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

20 (A) the date of the sale;

21 (B) the name of the buyer;

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

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

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

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

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

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

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

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

39 (A) the date of the sale;

40 (B) the name of the buyer;

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

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- 1 (D) the real property's legal description; and
- 2 (E) a statement that the sale has not been forfeited and is
- 3 valid.

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

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

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

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

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

36 (b) An individual or business entity may not bid or purchase
 37 a tract or item of real property offered for sale under section 5 or
 38 6.1 of this chapter if:

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

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

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

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

17 (2) the name of:

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

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

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

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

25 (5) the date of sale;

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

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

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

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

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

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

40 (c) A certificate of sale is assignable. However, a purchaser who
 41 acquires a certificate of sale may not assign the certificate of sale to a
 42 person who was not eligible under section 5.1, 5.3, or 5.4, or 5.9 of this



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1 chapter to bid on or purchase real property at a tax sale held under
 2 section 5 or 6.1 of this chapter until the person satisfies the eligibility
 3 requirements as determined by the county auditor. In addition to the
 4 prohibition on the assignment of a tax sale certificate to a person
 5 described in section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this chapter until the
 6 person satisfies the eligibility requirements as determined by the county
 7 auditor, a county legislative body may adopt an ordinance further
 8 prohibiting the assignment of a certificate of sale acquired at a
 9 treasurer's sale (pursuant to section 5 of this chapter) or at a county
 10 executive's tax sale (pursuant to section 6.1 of this chapter) prior to the
 11 issuance of a tax deed for the real property by the county auditor.

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

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

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

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

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

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

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

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

38 SECTION 38. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019,
 39 SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68,
 40 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) A declaratory ordinance

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1 adopted under section 2 of this chapter and confirmed under section 3
 2 of this chapter must include a provision with respect to the allocation
 3 and distribution of property taxes for the purposes and in the manner
 4 provided in this section. The allocation provision must apply to the
 5 entire economic development district. The allocation provisions must
 6 require that any property taxes subsequently levied by or for the benefit
 7 of any public body entitled to a distribution of property taxes on taxable
 8 property in the economic development district be allocated and
 9 distributed as follows:

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

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

15 (B) the base assessed value;

16 shall be allocated to and, when collected, paid into the funds of
 17 the respective taxing units. However, if the effective date of the
 18 allocation provision of a declaratory ordinance is after March 1,
 19 1985, and before January 1, 1986, and if an improvement to
 20 property was partially completed on March 1, 1985, the unit may
 21 provide in the declaratory ordinance that the taxes attributable to
 22 the assessed value of the property as finally determined for
 23 March 1, 1984, shall be allocated to and, when collected, paid
 24 into the funds of the respective taxing units.

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

37 (3) When the money in the fund is sufficient to pay all
 38 outstanding principal of and interest (to the earliest date on
 39 which the obligations can be redeemed) on obligations owed by
 40 the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the
 41 financing of industrial development programs in, or serving, that

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- 1 economic development district, money in the special fund in
 2 excess of that amount shall be paid to the respective taxing units
 3 in the manner prescribed by subdivision (1).
- 4 (b) Property tax proceeds allocable to the economic development
 5 district under subsection (a)(2) must, subject to subsection (a)(3), be
 6 irrevocably pledged by the unit for payment as set forth in subsection
 7 (a)(2).
- 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 economic development district that is annexed by any taxing unit after
 11 the effective date of the allocation provision of the declaratory
 12 ordinance is the 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) Notwithstanding any other law, each assessor shall, upon
 17 petition of the fiscal body, reassess the taxable property situated upon
 18 or in, or added to, the economic development district effective on the
 19 next assessment date after the petition.
- 20 (e) Notwithstanding any other law, the assessed value of all
 21 taxable property in the economic development district, for purposes of
 22 tax limitation, property tax replacement, and formulation of the budget,
 23 tax rate, and tax levy for each political subdivision in which the
 24 property is located, is the lesser of:
- 25 (1) the assessed value of the property as valued without regard
 26 to this section; or
 27 (2) the base assessed value.
- 28 (f) The state board of accounts and department of local
 29 government finance shall make the rules and prescribe the forms and
 30 procedures that they consider expedient for the implementation of this
 31 chapter. After each reassessment of a group of parcels under a
 32 reassessment plan prepared under IC 6-1.1-4-4.2 the ~~department of~~
 33 ~~local government finance~~ **county auditor shall, on forms prescribed**
 34 **by the department of local government finance**, adjust the base
 35 assessed value one (1) time to neutralize any effect of the reassessment
 36 on the property tax proceeds allocated to the district under this section.
 37 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
 38 ~~local government finance~~ **county auditor shall, on forms prescribed**
 39 **by the department of local government finance**, adjust the base
 40 assessed value to neutralize any effect of the annual adjustment on the
 41 property tax proceeds allocated to the district under this section.

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1 However, the adjustments under this subsection may not include the
 2 effect of property tax abatements under IC 6-1.1-12.1.

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

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

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

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

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

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

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1 for ~~any the current~~ assessment date. ~~after the effective date of~~
2 ~~the allocation provision.~~

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

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

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

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

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

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

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

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

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

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

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

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1 and
2 (2) a final determination has been made on the petition under
3 section 9 of this chapter.
4 If section 9 of this chapter applies, the department of local government
5 finance may decline to certify the proposal.
6 SECTION 40. IC 6-3.6-3-2, AS AMENDED BY P.L.159-2020,
7 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 2. (a) An adopting body or, if authorized by this
9 article, another governmental entity that is not an adopting body, may
10 take an action under this article only by ordinance, unless this article
11 permits the action to be taken by resolution.
12 (b) The department of local government finance, in consultation
13 with the department of state revenue, may make electronically available
14 uniform notices, ordinances, and resolutions that an adopting body or
15 other governmental entity may use to take an action under this article.
16 An adopting body or other governmental entity may submit a proposed
17 notice, ordinance, or resolution to the department of local government
18 finance for review not later than thirty (30) days prior to the date that
19 the adopting body or governing body intends to submit the notice,
20 adopting ordinance or resolution, and vote results on an ordinance or
21 resolution under subsection (d). If the adopting body or other
22 governmental entity wishes to submit the proposed notice, ordinance,
23 or resolution to the department of local government finance for review,
24 the adopting body or other governmental entity shall submit the
25 proposed notice, ordinance, or resolution to the department of local
26 government finance on the prescribed forms. The department of local
27 government finance shall provide to the submitting entity a
28 determination of the appropriateness of the proposed notice, ordinance,
29 or resolution, including recommended modifications, within thirty (30)
30 days of receiving the proposed notice, ordinance, or resolution.
31 (c) An ordinance or resolution adopted under this article must
32 comply with the notice and hearing requirements set forth in IC 5-3-1.
33 (d) The department of local government finance shall prescribe the
34 procedures to be used by the adopting body or governmental entity for
35 submitting to the department the notice, the adopting ordinance or
36 resolution, and the vote results on an ordinance or resolution. The
37 department of local government finance shall notify the submitting
38 entity within thirty (30) days after submission whether the department
39 has received the necessary information required by the department. A
40 final action taken by an adopting body or governmental entity under
41 this article to impose a new tax or amend an existing tax is not effective

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1 until the department of local government finance notifies the adopting
2 body or governmental entity that it has received the required
3 information from the submitting entity.

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

- 8 (1) To make the following distributions:
 - 9 (A) If an ordinance described in section 2.5 of this chapter
10 is in effect in a county, to make a distribution to the county
11 equal to the amount of revenue generated by the rate
12 imposed under section 2.5 of this chapter.
 - 13 (B) If an ordinance described in section 2.6 of this chapter
14 is in effect in a county, to make a distribution to the county
15 equal to the amount of revenue generated by the rate
16 imposed under section 2.6 of this chapter.
 - 17 (C) If an ordinance described in section 2.7 of this chapter
18 is in effect in a county, to make a distribution to the county
19 equal to the amount of revenue generated by the rate
20 imposed under section 2.7 of this chapter.
 - 21 (D) If an ordinance described in section 2.8 of this chapter
22 is in effect in a county, to make a distribution to the county
23 equal to the amount of revenue generated by the rate
24 imposed under section 2.8 of this chapter.
 - 25 **(E) If an ordinance described in section 2.9 of this**
26 **chapter (before its repeal) is in effect in a county, to**
27 **make a distribution to the county equal to the amount of**
28 **revenue generated by the rate imposed under section 2.9**
29 **of this chapter.**
 - 30 **(F) If an ordinance described in section 3.1 of this**
31 **chapter (before its expiration) is in effect in a county, to**
32 **make a distribution to the county equal to the amount of**
33 **revenue generated by the rate imposed under section 3.1**
34 **of this chapter.**

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

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- 1 determined using the allocation amounts for civil taxing units
 2 and school corporations in the county.
- 3 (3) After making the distributions described in subdivisions (1)
 4 and (2), the remaining revenue shall be treated as additional
 5 revenue (referred to as "additional revenue" in this chapter).
 6 Additional revenue may not be considered by the department of
 7 local government finance in determining:
- 8 (A) any taxing unit's maximum permissible property tax
 9 levy limit under IC 6-1.1-18.5; or
- 10 (B) the approved property tax rate for any fund.
- 11 (b) In the case of a civil taxing unit that has pledged the tax from
 12 additional revenue for the payment of bonds, leases, or other
 13 obligations as reported by the civil taxing unit under IC 5-1-18, the
 14 adopting body may not, under section 4 of this chapter, reduce the
 15 proportional allocation of the additional revenue that was allocated in
 16 the preceding year if the reduction for that year would result in an
 17 amount less than the amount necessary for the payment of bonds,
 18 leases, or other obligations payable or required to be deposited in a
 19 sinking fund or other reserve in that year for the bonds, leases, or other
 20 obligations for which the tax from additional revenue has been pledged.
 21 To inform an adopting body with regard to allocations that affect the
 22 payment of bonds, leases, or other obligations, a taxing unit may
 23 provide the adopting body with information regarding any outstanding
 24 bonds, leases, or other obligations that are secured by additional
 25 revenue. The information must be provided before the date of the
 26 public hearing at which the adopting body may change the allocation
 27 of additional revenue under section 4 of this chapter.
- 28 SECTION 42. IC 6-9-32-3, AS AMENDED BY P.L.9-2024,
 29 SECTION 245, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county
 31 may levy a tax on every person engaged in the business of renting or
 32 furnishing, for periods of less than thirty (30) days, any room or rooms,
 33 lodgings, or accommodations in any:
- 34 (1) hotel;
 35 (2) motel;
 36 (3) boat motel;
 37 (4) inn; or
 38 (5) tourist cabin;
 39 located in the county.
- 40 (b) The tax does not apply to gross income received in a
 41 transaction in which a person rents a room, lodging, or

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1 accommodations for a period of thirty (30) days or more.

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

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

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

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

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

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

41 (c) After each annual adjustment under IC 6-1.1-4-4.5, the

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1 department of local government finance county auditor shall, on
 2 forms prescribed by the department of local government finance,
 3 adjust the base assessed value (as defined in section 9 of this chapter)
 4 to neutralize any effect of the annual adjustment on the property tax
 5 proceeds allocated to the airport development zone's special funds
 6 under section 9 of this chapter.

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

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

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1 **adjusted amount for the immediately preceding year.**

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

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

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

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

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

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

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

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

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

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

39 ~~(d)~~ **(f)** A board of aviation commissioners or an airport authority
40 board may purchase or lease materials in the manner provided in
41 IC 5-22 and perform any public work by means of its own workforce

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1 and owned or leased equipment, in the construction, maintenance, and
 2 repair of any airport roadway, runway, taxiway, or aircraft parking
 3 apron whenever the cost of that public work project is estimated to be
 4 less than one hundred fifty thousand dollars (\$150,000).

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

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

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

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

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

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

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

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

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

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

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

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

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

39 ~~(2)~~ **annually report to the director of the department of local**
 40 **government finance; in accordance with procedures established**
 41 **by the department; the savings resulting in the previous year**

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1 from the guaranteed savings contract or utility efficiency
2 program.

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

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

11 (2) either:
12 (A) the improvement is necessary to conform to a law, a
13 rule, or an ordinance; or

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

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

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

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

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

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

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

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

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

40 (B) to the extent that it is not included in clause (A), the net
41 assessed value of property that is assessed as residential

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1 property under the rules of the department of local
2 government finance, within the allocation area, as finally
3 determined for the current assessment date.

4 (2) If an allocation provision is adopted after June 30, 1997, in
5 a declaratory resolution or an amendment to a declaratory
6 resolution establishing a redevelopment project area:
7 (A) the net assessed value of all the property as finally
8 determined for the assessment date immediately preceding
9 the effective date of the allocation provision of the
10 declaratory resolution, as adjusted under subsection (h);
11 plus
12 (B) to the extent that it is not included in clause (A), the net
13 assessed value of property that is assessed as residential
14 property under the rules of the department of local
15 government finance, as finally determined for the current
16 assessment date.

17 (3) If:
18 (A) an allocation provision adopted before June 30, 1995,
19 in a declaratory resolution or an amendment to a declaratory
20 resolution establishing a redevelopment project area expires
21 after June 30, 1997; and
22 (B) after June 30, 1997, a new allocation provision is
23 included in an amendment to the declaratory resolution;
24 the net assessed value of all the property as finally determined
25 for the assessment date immediately preceding the effective date
26 of the allocation provision adopted after June 30, 1997, as
27 adjusted under subsection (h).

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

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

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

41 Except as provided in section 39.3 of this chapter, "property taxes"

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

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

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

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

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

22 (B) the base assessed value;

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

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

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

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

38 STEP TWO: Subtract the STEP ONE amount from one
 39 (1).

40 STEP THREE: Multiply the STEP TWO amount by the
 41 allocated property tax attributable to the participating

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

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

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1 IC 6-1.1-21-4 (before its repeal) that is attributable to
 2 the taxing district; by
 3 (ii) the STEP ONE sum.
 4 STEP THREE: Multiply:
 5 (i) the STEP TWO quotient; times
 6 (ii) the total amount of the taxpayer's taxes (as defined
 7 in IC 6-1.1-21-2 (before its repeal)) levied in the taxing
 8 district that have been allocated during that year to an
 9 allocation fund under this section.
 10 If not all the taxpayers in an allocation area receive the
 11 credit in full, each taxpayer in the allocation area is entitled
 12 to receive the same proportion of the credit. A taxpayer may
 13 not receive a credit under this section and a credit under
 14 section 39.5 of this chapter (before its repeal) in the same
 15 year.
 16 (J) Pay expenses incurred by the redevelopment
 17 commission for local public improvements that are in the
 18 allocation area or serving the allocation area. Public
 19 improvements include buildings, parking facilities, and
 20 other items described in section 25.1(a) of this chapter.
 21 (K) Reimburse public and private entities for expenses
 22 incurred in training employees of industrial facilities that
 23 are located:
 24 (i) in the allocation area; and
 25 (ii) on a parcel of real property that has been classified
 26 as industrial property under the rules of the department
 27 of local government finance.
 28 However, the total amount of money spent for this purpose
 29 in any year may not exceed the total amount of money in the
 30 allocation fund that is attributable to property taxes paid by
 31 the industrial facilities described in this clause. The
 32 reimbursements under this clause must be made within
 33 three (3) years after the date on which the investments that
 34 are the basis for the increment financing are made.
 35 (L) Pay the costs of carrying out an eligible efficiency
 36 project (as defined in IC 36-9-41-1.5) within the unit that
 37 established the redevelopment commission. However,
 38 property tax proceeds may be used under this clause to pay
 39 the costs of carrying out an eligible efficiency project only
 40 if those property tax proceeds exceed the amount necessary
 41 to do the following:

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- 1 (i) Make, when due, any payments required under
- 2 clauses (A) through (K), including any payments of
- 3 principal and interest on bonds and other obligations
- 4 payable under this subdivision, any payments of
- 5 premiums under this subdivision on the redemption
- 6 before maturity of bonds, and any payments on leases
- 7 payable under this subdivision.
- 8 (ii) Make any reimbursements required under this
- 9 subdivision.
- 10 (iii) Pay any expenses required under this subdivision.
- 11 (iv) Establish, augment, or restore any debt service
- 12 reserve under this subdivision.
- 13 (M) Expend money and provide financial assistance as
- 14 authorized in section 12.2(a)(27) of this chapter.
- 15 (N) Expend revenues that are allocated for police and fire
- 16 services on both capital expenditures and operating
- 17 expenses as authorized in section 12.2(a)(28) of this
- 18 chapter.
- 19 The allocation fund may not be used for operating expenses of
- 20 the commission.
- 21 (5) Except as provided in subsection (g), before June 15 of each
- 22 year, the commission shall do the following:
- 23 (A) Determine the amount, if any, by which the assessed
- 24 value of the taxable property in the allocation area for the
- 25 most recent assessment date minus the base assessed value,
- 26 when multiplied by the estimated tax rate of the allocation
- 27 area, will exceed the amount of assessed value needed to
- 28 produce the property taxes necessary to make, when due,
- 29 principal and interest payments on bonds described in
- 30 subdivision (4), plus the amount necessary for other
- 31 purposes described in subdivision (4).
- 32 (B) Provide a written notice to the county auditor, the fiscal
- 33 body of the county or municipality that established the
- 34 department of redevelopment, and the officers who are
- 35 authorized to fix budgets, tax rates, and tax levies under
- 36 IC 6-1.1-17-5 for each of the other taxing units that is
- 37 wholly or partly located within the allocation area. The
- 38 county auditor, upon receiving the notice, shall forward this
- 39 notice (in an electronic format) to the department of local
- 40 government finance not later than June 15 of each year. The
- 41 notice must:

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- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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

- (C) If:
- (i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (4); plus
 - (ii) the amount necessary for other purposes described in subdivision (4);
- the commission shall submit to the legislative body of the

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

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

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

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

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

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

35 (d) Property tax proceeds allocable to the redevelopment district
 36 under subsection (b)(4) may, subject to subsection (b)(5), be
 37 irrevocably pledged by the redevelopment district for payment as set
 38 forth in subsection (b)(4).

39 (e) Notwithstanding any other law, each assessor shall, upon
 40 petition of the redevelopment commission, reassess the taxable
 41 property situated upon or in, or added to, the allocation area, effective

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1 on the next assessment date after the petition.

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

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

9 (2) the base assessed value.

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

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

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

19 (2) may not produce less property tax proceeds allocable to the
 20 redevelopment district under subsection (b)(4) than would
 21 otherwise have been received if the reassessment under the
 22 reassessment plan or the annual adjustment had not occurred;
 23 and

24 (3) may decrease base assessed value only to the extent that
 25 assessed values in the allocation area have been decreased due
 26 to annual adjustments or the reassessment under the
 27 reassessment plan.

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



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

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

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

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

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

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

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

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

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

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

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

39 SECTION 48. IC 36-7-14-48, AS AMENDED BY P.L.236-2023,
40 SECTION 180, IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) Notwithstanding section
42 39(a) of this chapter, with respect to the allocation and distribution of

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1 property taxes for the accomplishment of a program adopted under
 2 section 45 of this chapter, "base assessed value" means, subject to
 3 section 39(j) of this chapter, the net assessed value of all of the
 4 property, other than personal property, as finally determined for the
 5 assessment date immediately preceding the effective date of the
 6 allocation provision, as adjusted under section 39(h) of this chapter.
 7 (b) The allocation fund established under section 39(b) of this
 8 chapter for the allocation area for a program adopted under section 45
 9 of this chapter may be used only for purposes related to the
 10 accomplishment of the program, including the following:
 11 (1) The construction, rehabilitation, or repair of residential units
 12 within the allocation area.
 13 (2) The construction, reconstruction, or repair of any
 14 infrastructure (including streets, sidewalks, and sewers) within
 15 or serving the allocation area.
 16 (3) The acquisition of real property and interests in real property
 17 within the allocation area.
 18 (4) The demolition of real property within the allocation area.
 19 (5) The provision of financial assistance to enable individuals
 20 and families to purchase or lease residential units within the
 21 allocation area. However, financial assistance may be provided
 22 only to those individuals and families whose income is at or
 23 below the county's median income for individuals and families,
 24 respectively.
 25 (6) The provision of financial assistance to neighborhood
 26 development corporations to permit them to provide financial
 27 assistance for the purposes described in subdivision (5).
 28 (7) For property taxes first due and payable before January 1,
 29 2009, providing each taxpayer in the allocation area a credit for
 30 property tax replacement as determined under subsections (c)
 31 and (d). However, the commission may provide this credit only
 32 if the municipal legislative body (in the case of a redevelopment
 33 commission established by a municipality) or the county
 34 executive (in the case of a redevelopment commission
 35 established by a county) establishes the credit by ordinance
 36 adopted in the year before the year in which the credit is
 37 provided.
 38 (c) The maximum credit that may be provided under subsection
 39 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 40 allocation area established for a program adopted under section 45 of
 41 this chapter shall be determined as follows:

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

5 STEP TWO: Divide:

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

11 (B) the amount determined under STEP ONE.

12 STEP THREE: Multiply:

13 (A) the STEP TWO quotient; by

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

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

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

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

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

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

40 (e) Notwithstanding section 39(b) of this chapter, the allocation
41 fund established under section 39(b) of this chapter for the allocation

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1 area for a program adopted under section 45 of this chapter may only
2 be used to do one (1) or more of the following:

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

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

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

11 (f) Notwithstanding section 39(b) of this chapter, the commission
12 shall, relative to the allocation fund established under section 39(b) of
13 this chapter for an allocation area for a program adopted under section
14 45 of this chapter, do the following before June 15 of each year:

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

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

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

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

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

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

38 (A) state the amount, if any, of excess property taxes that
39 the commission has determined may be paid to the
40 respective taxing units in the manner prescribed in section
41 39(b)(1) of this chapter; or

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

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

(3) If:

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

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

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

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

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1 installments established by the department of local government finance
 2 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 3 allocation area is entitled to an additional credit under subsection (d)
 4 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
 5 installments. The credit shall be applied in the same proportion to each
 6 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

7 SECTION 49. IC 36-7-14-52, AS AMENDED BY P.L.236-2023,
 8 SECTION 181, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2026]: Sec. 52. (a) Notwithstanding section
 10 39(a) of this chapter, with respect to the allocation and distribution of
 11 property taxes for the accomplishment of the purposes of an
 12 age-restricted housing program adopted under section 49 of this
 13 chapter, "base assessed value" means, subject to section 39(j) of this
 14 chapter, the net assessed value of all of the property, other than
 15 personal property, as finally determined for the assessment date
 16 immediately preceding the effective date of the allocation provision, as
 17 adjusted under section 39(h) of this chapter.

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

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

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

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

30 (4) To do any of the following:

31 (A) Pay the principal of and interest on bonds or any other
 32 obligations payable from allocated tax proceeds in the
 33 allocation area that are incurred by the redevelopment
 34 district for the purpose of financing or refinancing the
 35 age-restricted housing program established under section 49
 36 of this chapter for the allocation area.

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

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

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- 1 special tax levied under section 27 of this chapter.
- 2 (D) Pay the principal of and interest on bonds issued by the
- 3 unit to pay for local public improvements that are physically
- 4 located in or physically connected to the allocation area.
- 5 (E) Pay premiums on the redemption before maturity of
- 6 bonds payable solely or in part from allocated tax proceeds
- 7 in the allocation area.
- 8 (F) Make payments on leases payable from allocated tax
- 9 proceeds in the allocation area under section 25.2 of this
- 10 chapter.
- 11 (G) Reimburse the unit for expenditures made by the unit
- 12 for local public improvements (which include buildings,
- 13 parking facilities, and other items described in section
- 14 25.1(a) of this chapter) that are physically located in or
- 15 physically connected to the allocation area.
- 16 (c) Notwithstanding section 39(b) of this chapter, the commission
- 17 shall, relative to the allocation fund established under section 39(b) of
- 18 this chapter for an allocation area for an age-restricted housing program
- 19 adopted under section 49 of this chapter, do the following before June
- 20 15 of each year:
- 21 (1) Determine the amount, if any, by which the assessed value of
- 22 the taxable property in the allocation area for the most recent
- 23 assessment date minus the base assessed value, when multiplied
- 24 by the estimated tax rate of the allocation area, will exceed the
- 25 amount of assessed value needed to produce the property taxes
- 26 necessary to:
- 27 (A) make the distribution required under section 39(b)(2)
- 28 and 39(b)(3) of this chapter;
- 29 (B) make, when due, principal and interest payments on
- 30 bonds described in section 39(b)(4) of this chapter;
- 31 (C) pay the amount necessary for other purposes described
- 32 in section 39(b)(4) of this chapter; and
- 33 (D) reimburse the county or municipality for anticipated
- 34 expenditures described in subsection (b)(2).
- 35 (2) Provide a written notice to the county auditor, the fiscal body
- 36 of the county or municipality that established the department of
- 37 redevelopment, and the officers who are authorized to fix
- 38 budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of
- 39 the other taxing units that is wholly or partly located within the
- 40 allocation area. The county auditor, upon receiving the notice,
- 41 shall forward this notice (in an electronic format) to the

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1 department of local government finance not later than June 15 of
2 each year. The notice must:

3 (A) state the amount, if any, of excess property taxes that
4 the commission has determined may be paid to the
5 respective taxing units in the manner prescribed in section
6 39(b)(1) of this chapter; or

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

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

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

30 (1) property taxes, as described in:

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 in a declaratory resolution or an amendment to a declaratory
 2 resolution establishing a redevelopment project area expires
 3 after June 30, 1997; and

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

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

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

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

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

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

36 (b) A resolution adopted under section 8 of this chapter on or
 37 before the allocation deadline determined under subsection (i) may
 38 include a provision with respect to the allocation and distribution of
 39 property taxes for the purposes and in the manner provided in this
 40 section. A resolution previously adopted may include an allocation
 41 provision by the amendment of that resolution on or before the

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

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

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

40 (B) the base assessed value;

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

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

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1 or parking facility that is physically located in or physically
 2 connected to that allocation area under any lease entered
 3 into under IC 36-1-10.

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

7 (i) in the allocation area; and

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

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

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

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

32 (ii) Make any reimbursements required under this
 33 subdivision.

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

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

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

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

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

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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**

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

(C) If:

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

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

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

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

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

(2) the base assessed value.

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

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

(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

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- 1 lesser of:
- 2 (1) the assessed value of the property as valued without regard
- 3 to this section; or
- 4 (2) the base assessed value.
- 5 (g) If any part of the allocation area is located in an enterprise zone
- 6 created under IC 5-28-15, the unit that designated the allocation area
- 7 shall create funds as specified in this subsection. A unit that has
- 8 obligations, bonds, or leases payable from allocated tax proceeds under
- 9 subsection (b)(3) shall establish an allocation fund for the purposes
- 10 specified in subsection (b)(3) and a special zone fund. Such a unit
- 11 shall, until the end of the enterprise zone phase out period, deposit each
- 12 year in the special zone fund the amount in the allocation fund derived
- 13 from property tax proceeds in excess of those described in subsection
- 14 (b)(1) and (b)(2) from property located in the enterprise zone that
- 15 exceeds the amount sufficient for the purposes specified in subsection
- 16 (b)(3) for the year. A unit that has no obligations, bonds, or leases
- 17 payable from allocated tax proceeds under subsection (b)(3) shall
- 18 establish a special zone fund and deposit all the property tax proceeds
- 19 in excess of those described in subsection (b)(1) and (b)(2) in the fund
- 20 derived from property tax proceeds in excess of those described in
- 21 subsection (b)(1) and (b)(2) from property located in the enterprise
- 22 zone. The unit that creates the special zone fund shall use the fund,
- 23 based on the recommendations of the urban enterprise association, for
- 24 one (1) or more of the following purposes:
- 25 (1) To pay for programs in job training, job enrichment, and
- 26 basic skill development designed to benefit residents and
- 27 employers in the enterprise zone. The programs must reserve at
- 28 least one-half (1/2) of the enrollment in any session for residents
- 29 of the enterprise zone.
- 30 (2) To make loans and grants for the purpose of stimulating
- 31 business activity in the enterprise zone or providing employment
- 32 for enterprise zone residents in the enterprise zone. These loans
- 33 and grants may be made to the following:
- 34 (A) Businesses operating in the enterprise zone.
- 35 (B) Businesses that will move their operations to the
- 36 enterprise zone if such a loan or grant is made.
- 37 (3) To provide funds to carry out other purposes specified in
- 38 subsection (b)(3). However, where reference is made in
- 39 subsection (b)(3) to the allocation area, the reference refers for
- 40 purposes of payments from the special zone fund only to that
- 41 part of the allocation area that is also located in the enterprise

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1 zone.

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

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1 (i) The allocation deadline referred to in subsection (b) is
 2 determined in the following manner:
 3 (1) The initial allocation deadline is December 31, 2011.
 4 (2) Subject to subdivision (3), the initial allocation deadline and
 5 subsequent allocation deadlines are automatically extended in
 6 increments of five (5) years, so that allocation deadlines
 7 subsequent to the initial allocation deadline fall on December 31,
 8 2016, and December 31 of each fifth year thereafter.
 9 (3) At least one (1) year before the date of an allocation deadline
 10 determined under subdivision (2), the general assembly may
 11 enact a law that:
 12 (A) terminates the automatic extension of allocation
 13 deadlines under subdivision (2); and
 14 (B) specifically designates a particular date as the final
 15 allocation deadline.
 16 (j) If the commission adopts a declaratory resolution or an
 17 amendment to a declaratory resolution that contains an allocation
 18 provision and the commission makes either of the filings required
 19 under section 10(e) of this chapter after the first anniversary of the
 20 effective date of the allocation provision, the auditor of the county in
 21 which the unit is located shall compute the base assessed value for the
 22 allocation area using the assessment date immediately preceding the
 23 later of:
 24 (1) the date on which the documents are filed with the county
 25 auditor; or
 26 (2) the date on which the documents are filed with the
 27 department of local government finance.
 28 (k) For an allocation area established after June 30, 2024,
 29 "residential property" refers to the assessed value of property that is
 30 allocated to the one percent (1%) homestead land and improvement
 31 categories in the county tax and billing software system, along with the
 32 residential assessed value as defined for purposes of calculating the
 33 rate for the local income tax property tax relief credit designated for
 34 residential property under IC 6-3.6-5-6(d)(3).
 35 SECTION 52. IC 36-7-15.1-26, AS AMENDED BY P.L.68-2025,
 36 SECTION 235, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this section:
 38 "Allocation area" means that part of a redevelopment project area
 39 to which an allocation provision of a resolution adopted under section
 40 8 of this chapter refers for purposes of distribution and allocation of
 41 property taxes.

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

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

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

25 (b) A resolution adopted under section 8 of this chapter on or
 26 before the allocation deadline determined under subsection (i) may
 27 include a provision with respect to the allocation and distribution of
 28 property taxes for the purposes and in the manner provided in this
 29 section. A resolution previously adopted may include an allocation
 30 provision by the amendment of that resolution on or before the
 31 allocation deadline determined under subsection (i) in accordance with
 32 the procedures required for its original adoption. A declaratory
 33 resolution or amendment that establishes an allocation provision must
 34 include a specific finding of fact, supported by evidence, that the
 35 adoption of the allocation provision will result in new property taxes in
 36 the area that would not have been generated but for the adoption of the
 37 allocation provision. For an allocation area established before July 1,
 38 1995, the expiration date of any allocation provisions for the allocation
 39 area is June 30, 2025, or the last date of any obligations that are
 40 outstanding on July 1, 2015, whichever is later. However, for an
 41 allocation area identified as the Consolidated Allocation Area in the

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

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

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

29 (B) the base assessed value;

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

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

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

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

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

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

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

15 (D) Pay the principal of and interest on bonds issued by the
 16 consolidated city to pay for local public improvements that
 17 are 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 17.1 of this
 24 chapter.

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

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

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

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

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

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

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

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

21 (ii) Make any reimbursements required under this
 22 subdivision.

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

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

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

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

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

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

41 (B) Provide a written notice to the county auditor, the

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

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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

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

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

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

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

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

24 (A) Businesses operating in the enterprise zone.

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

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

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

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

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

- 35 (1) The initial allocation deadline is December 31, 2011.
 36 (2) Subject to subdivision (3), the initial allocation deadline and
 37 subsequent allocation deadlines are automatically extended in
 38 increments of five (5) years, so that allocation deadlines
 39 subsequent to the initial allocation deadline fall on December 31,
 40 2016, and December 31 of each fifth year thereafter.
 41 (3) At least one (1) year before the date of an allocation deadline
 42 determined under subdivision (2), the general assembly may

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1 enact a law that:

2 (A) terminates the automatic extension of allocation

3 deadlines under subdivision (2); and

4 (B) specifically designates a particular date as the final

5 allocation deadline.

6 (j) If the commission adopts a declaratory resolution or an

7 amendment to a declaratory resolution that contains an allocation

8 provision and the commission makes either of the filings required

9 under section 10(e) of this chapter after the first anniversary of the

10 effective date of the allocation provision, the auditor of the county in

11 which the unit is located shall compute the base assessed value for the

12 allocation area using the assessment date immediately preceding the

13 later of:

14 (1) the date on which the documents are filed with the county

15 auditor; or

16 (2) the date on which the documents are filed with the

17 department of local government finance.

18 (k) For an allocation area established after June 30, 2024,

19 "residential property" refers to the assessed value of property that is

20 allocated to the one percent (1%) homestead land and improvement

21 categories in the county tax and billing software system, along with the

22 residential assessed value as defined for purposes of calculating the

23 rate for the local income tax property tax relief credit designated for

24 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

25 SECTION 53. IC 36-7-15.1-35, AS AMENDED BY

26 P.L.257-2019, SECTION 128, IS AMENDED TO READ AS

27 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 35. (a) Notwithstanding

28 section 26(a) of this chapter, with respect to the allocation and

29 distribution of property taxes for the accomplishment of a program

30 adopted under section 32 of this chapter, "base assessed value" means,

31 subject to section 26(j) of this chapter, the net assessed value of all of

32 the land as finally determined for the assessment date immediately

33 preceding the effective date of the allocation provision, as adjusted

34 under section 26(h) of this chapter. However, "base assessed value"

35 does not include the value of real property improvements to the land.

36 (b) The special fund established under section 26(b) of this chapter

37 for the allocation area for a program adopted under section 32 of this

38 chapter may be used only for purposes related to the accomplishment

39 of the program, including the following:

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

41 within the allocation area.

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

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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:

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- 1 (1) Determine the amount, if any, by which the assessed value of
- 2 the taxable property in the allocation area, when multiplied by
- 3 the estimated tax rate of the allocation area, will exceed the
- 4 amount of assessed value needed to produce the property taxes
- 5 necessary to:
- 6 (A) make the distribution required under section 26(b)(2) of
- 7 this chapter;
- 8 (B) make, when due, principal and interest payments on
- 9 bonds described in section 26(b)(3) of this chapter;
- 10 (C) pay the amount necessary for other purposes described
- 11 in section 26(b)(3) of this chapter; and
- 12 (D) reimburse the consolidated city for anticipated
- 13 expenditures described in subsection (e)(2).
- 14 (2) Provide a written notice to the county auditor, the legislative
- 15 body of the consolidated city, the officers who are authorized to
- 16 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each
- 17 of the other taxing units that is wholly or partly located within
- 18 the allocation area, and (in an electronic format) the department
- 19 of local government finance. The notice must:
- 20 (A) state the amount, if any, of excess assessed value that
- 21 the commission has determined may be allocated to the
- 22 respective taxing units in the manner prescribed in section
- 23 26(b)(1) of this chapter; or
- 24 (B) state that the commission has determined that there is
- 25 no excess assessed value that may be allocated to the
- 26 respective taxing units in the manner prescribed in section
- 27 26(b)(1) of this chapter.
- 28 The county auditor shall allocate to the respective taxing units
- 29 the amount, if any, of excess assessed value determined by the
- 30 commission. **If a commission fails to provide the notice under**
- 31 **this subdivision, the county auditor shall allocate five percent**
- 32 **(5%) of the assessed value in the allocation area that is used**
- 33 **to calculate the allocation and distribution of allocated tax**
- 34 **proceeds under this section to the respective taxing units.**
- 35 **However, if the commission notifies the county auditor and**
- 36 **the department of local government finance, no later than**
- 37 **July 15, that it is unable to meet its debt service obligations**
- 38 **with regard to the allocation area without all or part of the**
- 39 **allocated tax proceeds attributed to the assessed value that**
- 40 **has been allocated to the respective taxing units, then the**
- 41 **county auditor may not allocate five percent (5%) of the**
- 42 **assessed value in the allocation area that is used to calculate**

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1 **the allocation and distribution of allocated tax proceeds**
2 **under this section to the respective taxing units.**
3 (g) This subsection applies to an allocation area only to the extent
4 that the net assessed value of property that is assessed as residential
5 property under the rules of the department of local government finance
6 is not included in the base assessed value. If property tax installments
7 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its
8 repeal)) are due in installments established by the department of local
9 government finance under IC 6-1.1-22-9.5, each taxpayer subject to
10 those installments in an allocation area is entitled to an additional
11 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2
12 (before its repeal)) due in installments. The credit shall be applied in
13 the same proportion to each installment of taxes (as defined in
14 IC 6-1.1-21-2 (before its repeal)).
15 SECTION 54. IC 36-7-15.1-53, AS AMENDED BY
16 P.L.174-2022, SECTION 73, IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 53. (a) As used in this
18 section:
19 "Allocation area" means that part of a redevelopment project area
20 to which an allocation provision of a resolution adopted under section
21 40 of this chapter refers for purposes of distribution and allocation of
22 property taxes.
23 "Base assessed value" means, subject to subsection (j):
24 (1) the net assessed value of all the property as finally
25 determined for the assessment date immediately preceding the
26 effective date of the allocation provision of the declaratory
27 resolution, as adjusted under subsection (h); plus
28 (2) to the extent that it is not included in subdivision (1), the net
29 assessed value of property that is assessed as residential property
30 under the rules of the department of local government finance,
31 as finally determined for the current assessment date.
32 Except as provided in section 55 of this chapter, "property taxes"
33 means taxes imposed under IC 6-1.1 on real property.
34 (b) A resolution adopted under section 40 of this chapter on or
35 before the allocation deadline determined under subsection (i) may
36 include a provision with respect to the allocation and distribution of
37 property taxes for the purposes and in the manner provided in this
38 section. A resolution previously adopted may include an allocation
39 provision by the amendment of that resolution on or before the
40 allocation deadline determined under subsection (i) in accordance with
41 the procedures required for its original adoption. A declaratory

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1 resolution or an amendment that establishes an allocation provision
 2 must be approved by resolution of the legislative body of the excluded
 3 city and must specify an expiration date for the allocation provision.
 4 For an allocation area established before July 1, 2008, the expiration
 5 date may not be more than thirty (30) years after the date on which the
 6 allocation provision is established. For an allocation area established
 7 after June 30, 2008, the expiration date may not be more than
 8 twenty-five (25) years after the date on which the first obligation was
 9 incurred to pay principal and interest on bonds or lease rentals on
 10 leases payable from tax increment revenues. However, with respect to
 11 bonds or other obligations that were issued before July 1, 2008, if any
 12 of the bonds or other obligations that were scheduled when issued to
 13 mature before the specified expiration date and that are payable only
 14 from allocated tax proceeds with respect to the allocation area remain
 15 outstanding as of the expiration date, the allocation provision does not
 16 expire until all of the bonds or other obligations are no longer
 17 outstanding. The allocation provision may apply to all or part of the
 18 redevelopment project area. The allocation provision must require that
 19 any property taxes subsequently levied by or for the benefit of any
 20 public body entitled to a distribution of property taxes on taxable
 21 property in the allocation area be allocated and distributed as follows:
 22 (1) Except as otherwise provided in this section, the proceeds of
 23 the taxes attributable to the lesser of:
 24 (A) the assessed value of the property for the assessment
 25 date with respect to which the allocation and distribution is
 26 made; or
 27 (B) the base assessed value;
 28 shall be allocated to and, when collected, paid into the funds of
 29 the respective taxing units.
 30 (2) The excess of the proceeds of the property taxes imposed for
 31 the assessment date with respect to which the allocation and
 32 distribution is made that are attributable to taxes imposed after
 33 being approved by the voters in a referendum or local public
 34 question conducted after April 30, 2010, not otherwise included
 35 in subdivision (1) shall be allocated to and, when collected, paid
 36 into the funds of the taxing unit for which the referendum or
 37 local public question was conducted.
 38 (3) Except as otherwise provided in this section, property tax
 39 proceeds in excess of those described in subdivisions (1) and (2)
 40 shall be allocated to the redevelopment district and, when
 41 collected, paid into a special fund for that allocation area that

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1 may be used by the redevelopment district only to do one (1) or
 2 more of the following:
 3 (A) Pay the principal of and interest on any obligations
 4 payable solely from allocated tax proceeds that are incurred
 5 by the redevelopment district for the purpose of financing
 6 or refinancing the redevelopment of that allocation area.
 7 (B) Establish, augment, or restore the debt service reserve
 8 for bonds payable solely or in part from allocated tax
 9 proceeds in that allocation area.
 10 (C) Pay the principal of and interest on bonds payable from
 11 allocated tax proceeds in that allocation area and from the
 12 special tax levied under section 50 of this chapter.
 13 (D) Pay the principal of and interest on bonds issued by the
 14 excluded city to pay for local public improvements that are
 15 physically located in or physically connected to that
 16 allocation area.
 17 (E) Pay premiums on the redemption before maturity of
 18 bonds payable solely or in part from allocated tax proceeds
 19 in that allocation area.
 20 (F) Make payments on leases payable from allocated tax
 21 proceeds in that allocation area under section 46 of this
 22 chapter.
 23 (G) Reimburse the excluded city for expenditures for local
 24 public improvements (which include buildings, park
 25 facilities, and other items set forth in section 45 of this
 26 chapter) that are physically located in or physically
 27 connected to that allocation area.
 28 (H) Reimburse the unit for rentals paid by it for a building
 29 or parking facility that is physically located in or physically
 30 connected to that allocation area under any lease entered
 31 into under IC 36-1-10.
 32 (I) Reimburse public and private entities for expenses
 33 incurred in training employees of industrial facilities that
 34 are located:
 35 (i) in the allocation area; and
 36 (ii) on a parcel of real property that has been classified
 37 as industrial property under the rules of the department
 38 of local government finance.
 39 However, the total amount of money spent for this purpose
 40 in any year may not exceed the total amount of money in the
 41 allocation fund that is attributable to property taxes paid by

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1 the industrial facilities described in this clause. The
2 reimbursements under this clause must be made within
3 three (3) years after the date on which the investments that
4 are the basis for the increment financing are made.

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

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

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

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

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

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

34 The county auditor shall allocate to the respective taxing
35 units the amount, if any, of excess assessed value
36 determined by the commission. The commission may not
37 authorize an allocation to the respective taxing units under
38 this subdivision if to do so would endanger the interests of
39 the holders of bonds described in subdivision (3). **If a
40 commission fails to provide the notice under this clause,
41 the county auditor shall allocate five percent (5%) of the**

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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

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

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

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

25 (A) Businesses operating in the enterprise zone.

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

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

34 (h) The state board of accounts and department of local
 35 government finance shall make the rules and prescribe the forms and
 36 procedures that they consider expedient for the implementation of this
 37 chapter. After each reassessment of real property in an area under a
 38 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
 39 **department of local government finance county auditor shall, on**
 40 **forms prescribed by the department of local government finance,**
 41 adjust the base assessed value one (1) time to neutralize any effect of

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

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

- 36 (1) The initial allocation deadline is December 31, 2011.
 37 (2) Subject to subdivision (3), the initial allocation deadline and
 38 subsequent allocation deadlines are automatically extended in
 39 increments of five (5) years, so that allocation deadlines
 40 subsequent to the initial allocation deadline fall on December 31,
 41 2016, and December 31 of each fifth year thereafter.
 42 (3) At least one (1) year before the date of an allocation deadline



1 determined under subdivision (2), the general assembly may
 2 enact a law that:
 3 (A) terminates the automatic extension of allocation
 4 deadlines under subdivision (2); and
 5 (B) specifically designates a particular date as the final
 6 allocation deadline.

7 (j) If the commission adopts a declaratory resolution or an
 8 amendment to a declaratory resolution that contains an allocation
 9 provision and the commission makes either of the filings required
 10 under section 10(e) of this chapter after the first anniversary of the
 11 effective date of the allocation provision, the auditor of the county in
 12 which the unit is located shall compute the base assessed value for the
 13 allocation area using the assessment date immediately preceding the
 14 later of:
 15 (1) the date on which the documents are filed with the county
 16 auditor; or
 17 (2) the date on which the documents are filed with the
 18 department of local government finance.

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

26 SECTION 55. IC 36-7-15.1-53, AS AMENDED BY P.L.68-2025,
 27 SECTION 236, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2027]: Sec. 53. (a) As used in this section:
 29 "Allocation area" means that part of a redevelopment project area
 30 to which an allocation provision of a resolution adopted under section
 31 40 of this chapter refers for purposes of distribution and allocation of
 32 property taxes.
 33 "Base assessed value" means, subject to subsection (j):
 34 (1) the net assessed value of all the property as finally
 35 determined for the assessment date immediately preceding the
 36 effective date of the allocation provision of the declaratory
 37 resolution, as adjusted under subsection (h); plus
 38 (2) to the extent that it is not included in subdivision (1), the net
 39 assessed value of property that is assessed as residential property
 40 under the rules of the department of local government finance,
 41 as finally determined for the current assessment date.

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

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

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

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

37 (B) the base assessed value;

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

40 (2) The excess of the proceeds of the property taxes imposed for
 41 the assessment date with respect to which the allocation and

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

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

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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

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1 for each political subdivision in which the property is located, is the
 2 lesser of:
 3 (1) the assessed value of the property as valued without regard
 4 to this section; or
 5 (2) the base assessed value.
 6 (g) If any part of the allocation area is located in an enterprise zone
 7 created under IC 5-28-15, the unit that designated the allocation area
 8 shall create funds as specified in this subsection. A unit that has
 9 obligations, bonds, or leases payable from allocated tax proceeds under
 10 subsection (b)(3) shall establish an allocation fund for the purposes
 11 specified in subsection (b)(3) and a special zone fund. Such a unit
 12 shall, until the end of the enterprise zone phase out period, deposit each
 13 year in the special zone fund the amount in the allocation fund derived
 14 from property tax proceeds in excess of those described in subsection
 15 (b)(1) and (b)(2) from property located in the enterprise zone that
 16 exceeds the amount sufficient for the purposes specified in subsection
 17 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 18 payable from allocated tax proceeds under subsection (b)(3) shall
 19 establish a special zone fund and deposit all the property tax proceeds
 20 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 21 derived from property tax proceeds in excess of those described in
 22 subsection (b)(1) and (b)(2) from property located in the enterprise
 23 zone. The unit that creates the special zone fund shall use the fund,
 24 based on the recommendations of the urban enterprise association, for
 25 one (1) or more of the following purposes:
 26 (1) To pay for programs in job training, job enrichment, and
 27 basic skill development designed to benefit residents and
 28 employers in the enterprise zone. The programs must reserve at
 29 least one-half (1/2) of the enrollment in any session for residents
 30 of the enterprise zone.
 31 (2) To make loans and grants for the purpose of stimulating
 32 business activity in the enterprise zone or providing employment
 33 for enterprise zone residents in an enterprise zone. These loans
 34 and grants may be made to the following:
 35 (A) Businesses operating in the enterprise zone.
 36 (B) Businesses that will move their operations to the
 37 enterprise zone if such a loan or grant is made.
 38 (3) To provide funds to carry out other purposes specified in
 39 subsection (b)(3). However, where reference is made in
 40 subsection (b)(3) to the allocation area, the reference refers, for
 41 purposes of payments from the special zone fund, only to that

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

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1 **respective taxing units.**
 2 (i) The allocation deadline referred to in subsection (b) is
 3 determined in the following manner:
 4 (1) The initial allocation deadline is December 31, 2011.
 5 (2) Subject to subdivision (3), the initial allocation deadline and
 6 subsequent allocation deadlines are automatically extended in
 7 increments of five (5) years, so that allocation deadlines
 8 subsequent to the initial allocation deadline fall on December 31,
 9 2016, and December 31 of each fifth year thereafter.
 10 (3) At least one (1) year before the date of an allocation deadline
 11 determined under subdivision (2), the general assembly may
 12 enact a law that:
 13 (A) terminates the automatic extension of allocation
 14 deadlines under subdivision (2); and
 15 (B) specifically designates a particular date as the final
 16 allocation deadline.
 17 (j) If the commission adopts a declaratory resolution or an
 18 amendment to a declaratory resolution that contains an allocation
 19 provision and the commission makes either of the filings required
 20 under section 10(e) of this chapter after the first anniversary of the
 21 effective date of the allocation provision, the auditor of the county in
 22 which the unit is located shall compute the base assessed value for the
 23 allocation area using the assessment date immediately preceding the
 24 later of:
 25 (1) the date on which the documents are filed with the county
 26 auditor; or
 27 (2) the date on which the documents are filed with the
 28 department of local government finance.
 29 (k) For an allocation area established after June 30, 2024,
 30 "residential property" refers to the assessed value of property that is
 31 allocated to the one percent (1%) homestead land and improvement
 32 categories in the county tax and billing software system, along with the
 33 residential assessed value as defined for purposes of calculating the
 34 rate for the local income tax property tax relief credit designated for
 35 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).
 36 SECTION 56. IC 36-7-15.1-62, AS AMENDED BY
 37 P.L.257-2019, SECTION 131, IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding
 39 section 26(a) of this chapter, with respect to the allocation and
 40 distribution of property taxes for the accomplishment of the purposes
 41 of an age-restricted housing program adopted under section 59 of this

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

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

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

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

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

18 (4) To do any of the following:

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

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

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

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

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

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

40 (G) Reimburse the unit for expenditures made by the unit
41 for local public improvements (which include buildings,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (2) "Base assessed value" means, subject to subsection (i):
 22 (A) the net assessed value of all the property as finally
 23 determined for the assessment date immediately preceding
 24 the adoption date of the allocation provision of the
 25 declaratory resolution, as adjusted under subsection (h);
 26 plus
 27 (B) to the extent that it is not included in clause (A) or (C),
 28 the net assessed value of any and all parcels or classes of
 29 parcels identified as part of the base assessed value in the
 30 declaratory resolution or an amendment thereto, as finally
 31 determined for any subsequent assessment date; plus
 32 (C) to the extent that it is not included in clause (A) or (B),
 33 the net assessed value of property that is assessed as
 34 residential property under the rules of the department of
 35 local government finance, within the allocation area, as
 36 finally determined for the current assessment date.

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

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

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1 (b) A declaratory resolution adopted under section 10 of this
 2 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 3 declaratory resolutions adopted under IC 36-7-14-15 may include a
 4 provision with respect to the allocation and distribution of property
 5 taxes for the purposes and in the manner provided in this section. A
 6 declaratory resolution previously adopted may include an allocation
 7 provision by the amendment of that declaratory resolution in
 8 accordance with the procedures set forth in section 13 of this chapter.
 9 The allocation provision may apply to all or part of the military base
 10 reuse area. The allocation provision must require that any property
 11 taxes subsequently levied by or for the benefit of any public body
 12 entitled to a distribution of property taxes on taxable property in the
 13 allocation area be allocated and distributed as follows:

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

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

19 (B) the base assessed value;

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

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

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

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

41 (B) Establish, augment, or restore the debt service reserve

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

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

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

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

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

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

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

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

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

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1 (b) A declaratory resolution adopted under section 10 of this
 2 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 3 declaratory resolutions adopted under IC 36-7-14-15 may include a
 4 provision with respect to the allocation and distribution of property
 5 taxes for the purposes and in the manner provided in this section. A
 6 declaratory resolution previously adopted may include an allocation
 7 provision by the amendment of that declaratory resolution in
 8 accordance with the procedures set forth in section 13 of this chapter.
 9 The allocation provision may apply to all or part of the military base
 10 reuse area. The allocation provision must require that any property
 11 taxes subsequently levied by or for the benefit of any public body
 12 entitled to a distribution of property taxes on taxable property in the
 13 allocation area be allocated and distributed as follows:

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

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

19 (B) the base assessed value;

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

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

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

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

41 (B) Establish, augment, or restore the debt service reserve

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

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

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

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

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

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

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

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

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

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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

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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

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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).

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

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

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

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

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

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

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

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

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

26 (h) After each reassessment of real property in an area under a
 27 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
 28 ~~local government finance county auditor~~ shall, **on forms prescribed**
 29 **by the department of local government finance**, adjust the base
 30 assessed value one (1) time to neutralize any effect of the reassessment
 31 of the real property in the area on the property tax proceeds allocated
 32 to the military base development district under this section. After each
 33 annual adjustment under IC 6-1.1-4-4.5, the ~~department of local~~
 34 ~~government finance county auditor~~ shall, **on forms prescribed by the**
 35 **department of local government finance**, adjust the base assessed
 36 value to neutralize any effect of the annual adjustment on the property
 37 tax proceeds allocated to the military base development district under
 38 this section. However, the adjustments under this subsection may not
 39 include the effect of property tax abatements under IC 6-1.1-12.1, and
 40 these adjustments may not produce less property tax proceeds allocable
 41 to the military base development district under subsection (b)(3) than

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

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

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

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

42 SECTION 60. IC 36-7-30.5-30, AS AMENDED BY P.L.68-2025,

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1 SECTION 238, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2027]: Sec. 30. (a) The following definitions
3 apply throughout this section:

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

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

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

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

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

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

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

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

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

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

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

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1 unit or units, the assessed value of taxable property in a territory in the
 2 allocation area that is annexed by a taxing unit after the effective date
 3 of the allocation provision of the declaratory resolution is the lesser of:
 4 (1) the assessed value of the property for the assessment date
 5 with respect to which the allocation and distribution is made; or
 6 (2) the base assessed value.

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

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

15 (f) Notwithstanding any other law, the assessed value of all taxable
 16 property in the allocation area, for purposes of tax limitation, property
 17 tax replacement, and the making of the budget, tax rate, and tax levy
 18 for each political subdivision in which the property is located is the
 19 lesser of:
 20 (1) the assessed value of the property as valued without regard
 21 to this section; or
 22 (2) the base assessed value.

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

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

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

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

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

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

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

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

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

36 (b) After each reassessment of real property in an area under a
37 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
38 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
39 **by the department of local government finance**, adjust the base
40 assessed value one (1) time to neutralize any effect of the reassessment
41 of the real property in the area on the property tax proceeds allocated
42 to the certified technology park fund under section 17 of this chapter.

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

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

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

- 37 (1) describes the rules proposed by the state board of accounts,
38 the department of state revenue, and the department of local
39 government finance; and
- 40 (2) recommends statutory changes necessary to implement the
41 provisions of this chapter.
- 42 (b) After each reassessment of real property in an area under a

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1 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
2 department of local government finance county auditor shall, on
3 forms prescribed by the department of local government finance,
4 adjust the base assessed value one (1) time to neutralize any effect of
5 the reassessment of the real property in the area on the property tax
6 proceeds allocated to the local innovation development district fund
7 established by section 19 of this chapter.

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

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

33 SECTION 63. IC 36-7-42.5 IS ADDED TO THE INDIANA
34 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2026]:

- 36 **Chapter 42.5. Tourism Improvement Districts**
- 37 **Sec. 1. This chapter applies to all units except townships.**
- 38 **Sec. 2. As used in this chapter, "activities" means any**
39 **programs or services that promote business activity or tourism**
40 **activity and are provided to confer specific benefits upon the**
41 **businesses that are located in the tourism improvement district.**
- 42 **Sec. 3. As used in this chapter, "district" means a tourism**

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1 improvement district established by an ordinance adopted under
2 section 13 of this chapter.

3 Sec. 4. As used in this chapter, "district management
4 association" means a private nonprofit entity designated in the
5 district plan that enters into a contract with a unit to administer
6 and implement the district's activities and improvements.

7 Sec. 5. As used in this chapter, "district plan" means a
8 proposal for a district that contains the information described in
9 section 9(c) of this chapter.

10 Sec. 6. As used in this chapter, "improvements" means the
11 acquisition, construction, installation, or maintenance of any
12 tangible property in the district with an estimated useful life of five
13 (5) years or more.

14 Sec. 7. As used in this chapter, "legislative body" has the
15 meaning set forth in IC 36-1-2-9.

16 Sec. 8. As used in this chapter, "owner" refers to any person
17 recognized by the unit as the owner of a business within the
18 district, without regard to whether the person is the owner of the
19 real property on which the business is located.

20 Sec. 9. (a) A person that intends to file a petition for the
21 establishment of a district under this section must first provide
22 written notice to the clerk (as defined in IC 36-1-2-4) in the case of
23 a municipality, or the county auditor in the case of a county, of the
24 person's intent before initiating the petition process.

25 (b) A petition for the establishment of a district may be filed
26 with the clerk of the municipality or the county auditor not later
27 than one hundred twenty (120) days after the date on which the
28 notice of intent for the petition is filed with the clerk of the
29 municipality or the county auditor under subsection (a). The
30 petition shall include the name and legal status of the filing party
31 and the district plan.

32 (c) The district plan shall include at least the following:

33 (1) The name of the proposed district.

34 (2) Subject to section 9.5 of this chapter, a map of the
35 proposed district, including a description of the boundaries
36 of the district in a manner sufficient to identify the
37 businesses included.

38 (3) The proposed source or sources of financing, including:
39 (A) the proposed method and basis of levying the special
40 assessment in sufficient detail to allow each owner to
41 calculate the amount of the special assessment that may
42 be levied against the owner's business; and



- 1 **(B) whether the district may issue bonds to finance**
- 2 **improvements.**
- 3 **(4) A list of the businesses to be assessed and a statement of**
- 4 **the manner in which the expenses of a district using a**
- 5 **method allowed under section 11 of this chapter will be**
- 6 **imposed upon a benefited business in proportion to the**
- 7 **benefit received by the business, including costs for operation**
- 8 **and maintenance.**
- 9 **(5) For purposes of imposing the special assessment and**
- 10 **determining the benefits of the district's activities and**
- 11 **improvements, a classification of the types of businesses**
- 12 **within the proposed district. The classification may include**
- 13 **the following variations in the assessment formula:**
- 14 **(A) Square footage of the business.**
- 15 **(B) Number of employees.**
- 16 **(C) Geography.**
- 17 **(D) Gross sales.**
- 18 **(E) Other similar factors that reasonably relate to the**
- 19 **benefit received.**
- 20 **(6) An estimate of the amount of revenue needed to**
- 21 **accomplish or pay for the district's proposed activities and**
- 22 **improvements.**
- 23 **(7) Subject to section 9.5 of this chapter, a statement**
- 24 **identifying the district management association, including**
- 25 **the district management association's board of directors and**
- 26 **governance structure and any proposed rules or regulations**
- 27 **that may be applicable to the district.**
- 28 **(8) A statement indicating where a complete copy of the**
- 29 **district plan, whether in hard copy or electronic form, may**
- 30 **be obtained or accessed.**
- 31 **(9) Any other item or matter required to be incorporated in**
- 32 **the district plan by the unit's legislative body. The legislative**
- 33 **body may require in the district plan that the boundaries of**
- 34 **the district be drawn to:**
- 35 **(A) exclude businesses; or**
- 36 **(B) prevent overlap of the district with another district**
- 37 **or area in which a special assessment is imposed.**
- 38 **Sec. 9.5. Owners of the following property may not be included**
- 39 **within the territory of a district and the owners of such property**
- 40 **shall not be considered in determining whether the petition**
- 41 **signature requirements under section 13 of this chapter are met:**
- 42 **(1) Any property that receives a homestead standard**

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1 deduction under IC 6-1.1-12-37.
2 (2) Any property that is used for single family residential
3 housing.
4 (3) Any property that is used for multi-unit residential
5 housing.
6 In addition, the property described in this section shall not be
7 subject to a special assessment under this chapter.
8 Sec. 10. Subject to section 9.5 of this chapter, the territory of
9 a tourism improvement district:
10 (1) in the case of a municipality, may include only territory
11 within the municipality; or
12 (2) in the case of a county, may include only territory of the
13 county that is not within any municipality in the county.
14 Sec. 11. (a) A special assessment on businesses located within
15 the district shall be levied on the basis of the estimated benefit to
16 the businesses within the district. The unit's legislative body may
17 use the classification of the types of businesses described in section
18 9(c)(5) of this chapter in determining the benefit to a business
19 provided by the district.
20 (b) The special assessment that may be levied on businesses
21 located within the district may take any form that confers benefits
22 to the assessed business and may include any combination of the
23 following methods:
24 (1) A percentage rate per transaction at a business within the
25 district.
26 (2) A fixed rate per transaction per day at a business within
27 the district.
28 (3) A percentage of gross sales at a business within the
29 district.
30 (c) The special assessment may be levied on different types of
31 businesses located within the district and is not required to be
32 levied on the same basis or at the same rate.
33 Sec. 12. (a) After receipt of a petition under section 9 of this
34 chapter, the clerk of the municipality or the county auditor shall,
35 in the manner provided by IC 5-3-1, publish notice of a hearing on
36 the proposed district. The clerk of the municipality or the county
37 auditor shall mail a copy of the notice to each owner within the
38 proposed district. The notice must include the boundaries of the
39 proposed district, a description of the proposed activities and
40 improvements, the proposed formula for determining the
41 percentage of the total benefit to be received by each business, the
42 method of determining the benefit received by each business, and

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- 1 the hearing date. The date of the hearing may not be more than
- 2 sixty (60) days after the date on which the notice is mailed.
- 3 (b) At the public hearing under subsection (a), the legislative
- 4 body shall hear all owners in the proposed district (who appear
- 5 and request to be heard) upon the questions of:
- 6 (1) the sufficiency of the notice;
- 7 (2) whether the proposed activities and improvements are of
- 8 public utility and benefit;
- 9 (3) whether the formula or method to be used for the
- 10 assessment of special benefits is appropriate;
- 11 (4) whether the district contains all, or more or less than all,
- 12 of the territory specially benefited by the activities and
- 13 improvements; and
- 14 (5) whether each individual business owner:
- 15 (A) that did not sign to approve the petition; and
- 16 (B) would be subject to the assessment of the district
- 17 that has otherwise reached the approval threshold;
- 18 wishes to make a request for exclusion from the district, to
- 19 be approved or denied by the legislative body before the final
- 20 passage of the ordinance establishing the district.
- 21 Sec. 13. (a) After conducting a hearing on the proposed
- 22 district, the legislative body may adopt an ordinance establishing
- 23 the district if it determines that:
- 24 (1) the petition meets the requirements of this section and
- 25 sections 9 through 11 of this chapter;
- 26 (2) the activities and improvements to be undertaken in the
- 27 district will provide special benefits to businesses in the
- 28 district and will be of public utility and benefit;
- 29 (3) the benefits provided by the activities and improvements
- 30 will be new benefits that do not replace benefits existing
- 31 before the establishment of the district; and
- 32 (4) the formula or method to be used for the assessment of
- 33 special benefits is appropriate.
- 34 (b) The legislative body may adopt the ordinance only if it
- 35 determines that the petition has been signed by:
- 36 (1) at least fifty percent (50%) of the owners of businesses
- 37 within the proposed district; and
- 38 (2) the owners of businesses within the proposed district that
- 39 constitute more than fifty percent (50%) of the revenue to be
- 40 collected from the special assessments.
- 41 (c) The ordinance shall:
- 42 (1) incorporate the information set forth in the district plan;

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- 1 **(2) specify the time and manner in which special assessments**
- 2 **levied under this chapter are to be collected and paid to the**
- 3 **unit's fiscal officer for deposit in the tourism improvement**
- 4 **fund established under section 14 of this chapter; and**
- 5 **(3) include any other content that the legislative body**
- 6 **determines is reasonable as it relates to the operation of the**
- 7 **district.**

8 **For purposes of subdivision (2), the collection of special**
 9 **assessments under this chapter may occur at the same time and in**
 10 **the same manner as for an innkeeper's tax under IC 6-9, including**
 11 **the application of any enforcement mechanisms and interest and**
 12 **penalty attributable to innkeeper's taxes under IC 6-9-29.**

13 **(d) The adoption of an ordinance establishing a district does**
 14 **not affect and may not be construed to authorize any decrease in**
 15 **the level of publicly funded tourism promotion services that existed**
 16 **before the district's establishment.**

17 **Sec. 14. (a) The unit's fiscal officer shall establish a special**
 18 **fund, known as the tourism improvement fund, and shall deposit**
 19 **in the tourism improvement fund all special assessments received**
 20 **under this chapter and any other amounts received by the fiscal**
 21 **officer.**

22 **(b) The unit's fiscal officer may transfer money in the tourism**
 23 **improvement fund to the district management association to be**
 24 **used only for the purposes specified in the ordinance establishing**
 25 **the district. Any bonds issued under this chapter are payable solely**
 26 **from special assessments deposited in the tourism improvement**
 27 **fund and other revenues of the district.**

28 **(c) Any money earned from investment of money in the**
 29 **tourism improvement fund becomes a part of the tourism**
 30 **improvement fund.**

31 **Sec. 15. (a) The unit shall contract with the district**
 32 **management association designated in the district plan to**
 33 **administer and implement the district's activities and**
 34 **improvements.**

35 **(b) The district management association may be either an**
 36 **existing nonprofit corporation or a newly formed nonprofit**
 37 **corporation. If the district management association is a new**
 38 **nonprofit corporation created to manage the district, the certificate**
 39 **of incorporation or bylaws of the district management association**
 40 **shall provide for voting representation of owners within the**
 41 **district. If the district management association is an existing**
 42 **nonprofit corporation, the existing nonprofit corporation may**

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1 create a committee of district owners or owners' representatives.
 2 (c) The district management association may make
 3 recommendations to the unit's legislative body with respect to any
 4 matter involving or relating to the district.
 5 (d) The unit's legislative body, for any consideration that it
 6 considers appropriate, may license or grant to the district
 7 management association the right to undertake or permit
 8 commercial activities or other private uses of the streets or other
 9 parts of the district in which the unit has any real property
 10 interest.
 11 Sec. 16. (a) A district may issue bonds to provide
 12 improvements. The term of any bonds issued may not exceed ten
 13 (10) years. If a district is renewed under section 17 of this chapter,
 14 the term of any bonds issued may not exceed ten (10) years from
 15 the date of renewal.
 16 (b) Bonds issued under this chapter do not constitute an
 17 indebtedness of the unit within the meaning of a constitutional or
 18 statutory debt limitation.
 19 Sec. 17. (a) The initial term for a district shall be at least three
 20 (3) years and not more than ten (10) years.
 21 (b) A district may be renewed for one (1) additional period of
 22 not more than ten (10) years by following the procedures for the
 23 initial establishment of a district as set forth in sections 9 through
 24 13 of this chapter.
 25 (c) If a district is renewed, any remaining revenues derived
 26 from the levy of a special assessment, or any revenues derived from
 27 the sale of assets acquired with the revenues, shall be transferred
 28 to the renewed district. The following apply to the transfer of any
 29 remaining revenues of a renewed district:
 30 (1) If the renewed district includes a business not included in
 31 the prior district, the remaining revenues shall be spent to
 32 benefit only the business in the prior district.
 33 (2) If the renewed district does not include a business
 34 included in the prior district, the remaining revenues
 35 attributable to the parcel shall be refunded to the owners of
 36 the business by applying the method the district used under
 37 section 11 of this chapter to calculate the special assessment
 38 before the renewal.
 39 (d) The boundaries, special assessments, improvements, or
 40 activities of a renewed district are not required to be the same as
 41 the original or prior district.
 42 Sec. 18. An ordinance adopted under section 13 of this chapter

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1 may be amended if notice of the proposed amendment is published
2 and mailed in the manner provided by section 12 of this chapter.
3 However, if an amendment proposes to:

- 4 (1) levy a new or increased special assessment;
- 5 (2) change the district's boundaries; or
- 6 (3) issue a new bond;

7 the unit's legislative body shall require compliance with the
8 procedures set forth in sections 9 through 13 of this chapter before
9 amending the ordinance.

10 Sec. 19. (a) During the operation of the district, there shall be
11 a thirty (30) day period, beginning one (1) year after the date of the
12 district's establishment and in each year thereafter, in which the
13 owners may request dissolution of the district in accordance with
14 this section.

15 (b) After a public hearing before the unit's legislative body, the
16 legislative body may dissolve a district by ordinance in either of the
17 following circumstances:

- 18 (1) If the legislative body finds there has been
19 misappropriation of funds, malfeasance, or a violation of law
20 in connection with the management of the district.
- 21 (2) At any time during the annual thirty (30) day period
22 described in subsection (a).

23 (c) Upon the written petitions of the owners or authorized
24 representatives of businesses in the district that pay fifty percent
25 (50%) or more of the special assessments levied, the unit's
26 legislative body shall pass a resolution of intention to dissolve the
27 district.

28 (d) The unit's legislative body shall first adopt a resolution of
29 intention to dissolve the district before the public hearing to
30 dissolve a district under this section. The resolution of intention
31 must include each of the following items:

- 32 (1) The reason for the dissolution.
- 33 (2) The time and place of the public hearing.
- 34 (3) A proposal to dispose of any assets acquired with the
35 revenues of the special assessments levied within the district.

36 The notice of the hearing on the resolution of intent to dissolve the
37 district shall be published in the manner provided by IC 5-3-1 and
38 must also be given by mail to the owner of each business subject to
39 a special assessment in the district. The legislative body shall
40 conduct the public hearing on the resolution of intention to dissolve
41 the district not later than thirty (30) days after the date the notice
42 is mailed to the assessed owners.

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1 (e) The public hearing to dissolve the district shall be held not
2 more than sixty (60) days after the date of the adoption of the
3 resolution of intention.

4 (f) A dissolution of a district under this section has the effect
5 of repealing the ordinance adopted under section 13 of this chapter
6 that established the district.

7 Sec. 20. (a) The district management association shall submit
8 an annual report to the legislative body and the fiscal body before
9 January 1 of each year, beginning in the year after the first year of
10 the district's establishment.

11 (b) The report shall contain the following information:

12 (1) The use of revenue collected from special assessments
13 levied under this chapter for that year.

14 (2) The activities and improvements to be provided for the
15 ensuing year and an estimate of the cost of providing the
16 activities and improvements for the ensuing year.

17 (3) The estimated amount of any surplus or deficit revenues
18 to be carried over from the prior year.

19 Sec. 21. (a) Upon the dissolution or expiration without renewal
20 of a district, any remaining revenues, after all outstanding debts
21 are paid, derived from the:

22 (1) levy of special assessments; or

23 (2) sale of assets acquired with the revenues of the district or
24 from bond reserve funds or construction funds;

25 shall be refunded to the owners located within the district on or
26 before the date of the district's dissolution or expiration without
27 renewal.

28 (b) The amount of the refund provided under subsection (a) to
29 an owner shall be determined by applying the method the district
30 used under section 11 of this chapter to calculate the special
31 assessment in the year:

32 (1) in which the district was dissolved or allowed to expire
33 without renewal; or

34 (2) before the district was dissolved or allowed to expire
35 without renewal if a special assessment had not been levied.

36 However, in lieu of providing a refund, the unit's legislative body
37 may instead elect to spend any remaining revenues on activities
38 and improvements specified in the ordinance that established the
39 district before its dissolution or expiration without renewal.

40 (c) Any liabilities incurred by the district are not an obligation
41 of the unit and are payable solely from the collection of special
42 assessments deposited in the special fund under section 14 of this

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1 **chapter and other revenues of the district.**

2 **Sec. 22. Notwithstanding any other provision of this chapter,**
3 **special assessments levied to pay the principal and interest on any**
4 **bonds issued under this chapter may not be reduced or terminated**
5 **if doing so would interfere with the timely retirement of the debt.**

6 SECTION 64. IC 36-7.5-4.5-18, AS AMENDED BY
7 P.L.236-2023, SECTION 194, IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is
9 established, the following apply to the administration and use of
10 incremental property tax revenue by the development authority, or a
11 redevelopment commission in the case of a district located in a cash
12 participant county, in the district:

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

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

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- 1 (3) Incremental property tax revenue may be used only for one
- 2 (1) or more of the following purposes for a district:
- 3 (A) To finance the improvement, construction,
- 4 reconstruction, renovation, and acquisition of real and
- 5 personal property improvements within a district.
- 6 (B) To pay the principal of and interest on any obligations
- 7 that are incurred for the purpose of financing or refinancing
- 8 development in the district, including local public
- 9 improvements that are physically located in or physically
- 10 connected to the district.
- 11 (C) To establish, augment, or restore the debt service
- 12 reserve for bonds payable solely or in part from incremental
- 13 property tax revenue from the district.
- 14 (D) To pay premiums on the redemption before maturity of
- 15 bonds payable solely or in part from incremental property
- 16 tax revenue from the district.
- 17 (E) To make payments on leases payable from incremental
- 18 property tax revenue from the district.
- 19 (F) To reimburse a municipality in which a district is
- 20 located for expenditures made by the municipality for local
- 21 public improvements that are physically located in or
- 22 physically connected to the district.
- 23 (G) To reimburse a municipality for rentals paid by the
- 24 municipality for a building or parking facility that is
- 25 physically located in or physically connected to the district
- 26 under any lease entered into under IC 36-1-10.
- 27 (H) To pay expenses incurred by the development authority
- 28 for local public improvements that are in the district or
- 29 serving the district.

30 SECTION 65. IC 36-8-19-8.5, AS AMENDED BY P.L.255-2017,
 31 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2026]: Sec. 8.5. (a) Participating units may agree to establish
 33 an equipment replacement fund under this section to be used to
 34 purchase fire protection equipment, including housing, that will be
 35 used to serve the entire territory. To establish the fund, the legislative
 36 bodies of each participating unit must adopt an ordinance (in the case
 37 of a county or municipality) or a resolution (in the case of a township
 38 or fire protection district), and the following requirements must be met:
 39 (1) The ordinance or resolution is identical to the ordinances and
 40 resolutions adopted by the other participating units under this
 41 section.

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- 1 (2) Before adopting the ordinance or resolution, each
- 2 participating unit must comply with the notice and hearing
- 3 requirements of IC 6-1.1-41-3.
- 4 (3) The ordinance or resolution authorizes the provider unit to
- 5 establish the fund.
- 6 (4) The ordinance or resolution includes at least the following:
- 7 (A) The name of each participating unit and the provider
- 8 unit.
- 9 (B) An agreement to impose a uniform tax rate upon all of
- 10 the taxable property within the territory for the equipment
- 11 replacement fund.
- 12 (C) The contents of the agreement to establish the fund.

13 An ordinance or a resolution adopted under this section takes effect as
 14 provided in IC 6-1.1-41.

- 15 (b) If a fund is established, the participating units may agree to:
- 16 (1) impose a property tax to provide for the accumulation of
- 17 money in the fund to purchase fire protection equipment;
- 18 (2) incur debt to purchase fire protection equipment and impose
- 19 a property tax to retire the loan; or
- 20 (3) transfer an amount from the fire protection territory fund to
- 21 the fire equipment replacement fund not to exceed five percent
- 22 (5%) of the levy for the fire protection territory fund for that
- 23 year;

24 or any combination of these options.

25 (c) The property tax rate for the levy imposed under this section is
 26 **considered part of the maximum permissible ad valorem property**
 27 **tax levy and** may not exceed three and thirty-three hundredths cents
 28 (\$0.0333) per one hundred dollars (\$100) of assessed value. Before
 29 debt may be incurred, the fiscal body of a participating unit must adopt
 30 an ordinance (in the case of a county or municipality) or a resolution
 31 (in the case of a township or fire protection district) that specifies the
 32 amount and purpose of the debt. The ordinance or resolution must be
 33 identical to the other ordinances and resolutions adopted by the
 34 participating units. Except as provided in subsection (d), if debt is to be
 35 incurred for the purposes of a fund, the provider unit shall negotiate for
 36 and hold the debt on behalf of the territory. However, the participating
 37 units and the provider unit of the territory are jointly liable for any debt
 38 incurred by the provider unit for the purposes of the fund. The most
 39 recent adjusted value of taxable property for the entire territory must be
 40 used to determine the debt limit under IC 36-1-15-6. A provider unit
 41 shall comply with all general statutes and rules relating to the

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1 incurrence of debt under this subsection.
 2 (d) A participating unit of a territory may, to the extent allowed by
 3 law, incur debt in the participating unit's own name to acquire fire
 4 protection equipment or other property that is to be owned by the
 5 participating unit. A participating unit that acquires fire protection
 6 equipment or other property under this subsection may afterward enter
 7 into an interlocal agreement under IC 36-1-7 with the provider unit to
 8 furnish the fire protection equipment or other property to the provider
 9 unit for the provider unit's use or benefit in accomplishing the purposes
 10 of the territory. A participating unit shall comply with all general
 11 statutes and rules relating to the incurrence of debt under this
 12 subsection.

13 (e) Money in the fund may be used by the provider unit only for
 14 those purposes set forth in the agreement among the participating units
 15 that permits the establishment of the fund.

16 (f) The requirements and procedures specified in IC 6-1.1-41
 17 concerning the establishment or reestablishment of a cumulative fund,
 18 the imposing of a property tax for a cumulative fund, and the increasing
 19 of a property tax rate for a cumulative fund apply to:

- 20 (1) the establishment or reestablishment of a fund under this
- 21 section;
- 22 (2) the imposing of a property tax for a fund under this section;
- 23 and
- 24 (3) the increasing of a property tax rate for a fund under this
- 25 section.

26 (g) Notwithstanding IC 6-1.1-18-12, if a fund established under
 27 this section is reestablished in the manner provided in IC 6-1.1-41, the
 28 property tax rate imposed for the fund in the first year after the fund is
 29 reestablished may not exceed three and thirty-three hundredths cents
 30 (\$0.0333) per one hundred dollars (\$100) of assessed value.

31 SECTION 66. [EFFECTIVE JANUARY 1, 2024
 32 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
 33 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
 34 **provision.**

35 (b) **This SECTION applies to assessment dates after December**
 36 **31, 2023, and before January 1, 2026.**

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

- 39 (1) **that is owned, occupied, and used by a taxpayer that:**
- 40 (A) **is exempt from federal income taxation under**
- 41 **Section 501(c)(3) of the Internal Revenue Code; and**
- 42 (B) **has a mission focused on preserving Indiana**

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- 1 landmarks;
- 2 (2) that is used for one (1) or more of the purposes described
- 3 in IC 6-1.1-10-16;
- 4 (3) that is a parcel that:
 - 5 (A) was transferred to the taxpayer before January 1,
 - 6 2024; and
 - 7 (B) is located in Vanderburgh County;
- 8 (4) on which property taxes were imposed for the 2024 and
- 9 2025 assessment dates; and
- 10 (5) that would have been eligible for an exemption under
- 11 IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an
- 12 exemption application had been properly and timely filed
- 13 under IC 6-1.1 for the property.
- 14 (d) Before September 1, 2026, the owner of eligible property
- 15 may file a property tax exemption application and supporting
- 16 documents claiming a property tax exemption under this
- 17 SECTION for the eligible property for the 2024 and 2025
- 18 assessment dates.
- 19 (e) A property tax exemption application filed as provided in
- 20 subsection (d) is considered to have been properly and timely filed
- 21 for each assessment date.
- 22 (f) The following apply if the owner of eligible property files a
- 23 property tax exemption application as provided in subsection (d):
 - 24 (1) The property tax exemption for the eligible property shall
 - 25 be allowed and granted for the applicable assessment date by
 - 26 the county assessor and county auditor of the county in
 - 27 which the eligible property is located.
 - 28 (2) The owner of the eligible property is not required to pay
 - 29 any property taxes, penalties, or interest with respect to the
 - 30 eligible property for the applicable assessment date.
- 31 (g) The exemption allowed by this SECTION shall be applied
- 32 without the need for any further ruling or action by the county
- 33 assessor, the county auditor, or the county property tax assessment
- 34 board of appeals of the county in which the eligible property is
- 35 located or by the Indiana board of tax review.
- 36 (h) To the extent the owner of the eligible property has paid
- 37 any property taxes, penalties, or interest with respect to the eligible
- 38 property for an applicable date and to the extent that the eligible
- 39 property is exempt from taxation as provided in this SECTION,
- 40 the owner of the eligible property is entitled to a refund of the
- 41 amounts paid. The owner is not entitled to any interest on the
- 42 refund under IC 6-1.1 or any other law to the extent interest has

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1 not been paid by or on behalf of the owner. Notwithstanding the
2 filing deadlines for a claim under IC 6-1.1-26, any claim for a
3 refund filed by the owner of eligible property under this SECTION
4 before September 1, 2026, is considered timely filed. The county
5 auditor shall pay the refund due under this SECTION in one (1)
6 installment.

7 (i) This SECTION expires June 30, 2027.

8 SECTION 67. [EFFECTIVE JANUARY 1, 2026
9 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to
10 assessment dates occurring after December 31, 2025, for property
11 taxes first due and payable in 2027.

12 (b) This SECTION expires July 1, 2030.

13 SECTION 68. [EFFECTIVE JANUARY 1, 2026
14 (RETROACTIVE)] (a) The amendments made by this act to:

- 15 (1) IC 6-1.1-12.6-2;
- 16 (2) IC 6-1.1-12.6-4;
- 17 (3) IC 6-1.1-12.6-8;
- 18 (4) IC 6-1.1-12.8-3;
- 19 (5) IC 6-1.1-12.8-4;
- 20 (6) IC 6-1.1-12.8-9; and
- 21 (7) IC 6-1.1-12.8-10;

22 apply to assessment dates occurring after December 31, 2025.

23 (b) This SECTION expires January 1, 2028.

24 SECTION 69. [EFFECTIVE UPON PASSAGE] (a) IC 6-3.6-6-3
25 was amended by P.L.137-2024, SECTION 9, effective July 1, 2024,
26 until July 1, 2027, and by P.L.68-2025, SECTION 124, effective
27 July 1, 2027. The general assembly recognizes that this act amends,
28 effective July 1, 2026, the version of IC 6-3.6-6-3 amended by
29 P.L.137-2024, SECTION 9. The general assembly intends for the
30 version of IC 6-3.6-6-3:

- 31 (1) as amended by this act, to expire July 1, 2027; and
- 32 (2) as amended by P.L.68-2025, SECTION 124, to take effect
- 33 July 1, 2027.

34 (b) This SECTION expires December 31, 2027.

35 SECTION 70. An emergency is declared for this act.

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