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HOUSE BILL No. 1210

Proposed Changes to introduced printing by AM121039

DIGEST OF PROPOSED AMENDMENT

Tourism improvement districts. Provides that a person may circulate a petition to create a tourism improvement district (district) within the territory of a county, city, or town (local unit). Specifies the contents of the tourism improvement district plan that must be filed with a petition to establish a district. Provides that the legislative body of the local unit may require in the district plan that the boundaries of the district be drawn to: (1) exclude businesses; or (2) prevent overlap of the district with another area or district in which a special assessment is imposed. Provides that owners of businesses located within a district may be charged a special assessment to fund improvements and other district activities. Provides that, after a hearing on a petition to establish a district, a local unit's legislative body may adopt the ordinance establishing the district only if it determines that the petition has been signed by: (1) at least 50% of the owners of businesses within the proposed district; and (2) the owners of businesses within the proposed district that constitute more than 50% of the revenue to be collected from the special assessments. Requires the county, city, or town legislative body, at the public hearing on the establishment of a district, to hear from each individual business owner that wishes to make a request for exclusion from the district. Specifies the contents of the ordinance establishing a district and the length of time for which a district may exist. Allows a district to issue bonds and specifies the term of any bonds issued. Provides that a district may be renewed. Sets forth an annual 30 day period in which the owners of the businesses in the district may request disestablishment of the district under specified conditions. Requires the local unit to contract with a private nonprofit district management association to administer and implement the district's activities and improvements. Excludes from inclusion within a district: (1) property that receives a homestead standard deduction; (2) property used for single family residential housing; and (3) property used for multi-unit residential housing.

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

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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 19. (a) This section applies to a contract between a municipal entity and a municipal adviser entered into, renewed, or amended after June 30, 2026.**

(b) As used in this section, "municipal adviser" means a person who is not an employee of the municipal entity who:

(1) provides advice to or on behalf of a municipal entity or obligated person concerning financial issues, including advice related to:

(A) municipal financial products or the issuance of municipal securities, including with respect to structure, timing, and terms; or

(B) budgeting and long term financial planning; or

(2) undertakes a solicitation of a municipal entity or obligated person.

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

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

(1) a county;

(2) a township;

(3) a city;

(4) a town;

(5) a school corporation;

(6) a special taxing district;

(7) an instrumentality of an entity listed in subdivisions (1) through (6); and

(8) any other entity required to sell bonds pursuant to IC 5-1-11.

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

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

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

(g) If a municipal entity hires or retains a municipal adviser, the municipal entity shall complete a competitive process at least



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

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

SECTION 2. IC 5-14-3.8-3, AS AMENDED BY P.L.1-2025, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. The department, ~~working with the office of technology established by IC 4-13.1-2-1, or another organization that is part of a state educational institution;~~ the office of management and budget established by IC 4-3-22-3, and the state board of accounts established by IC 5-11-1-1 shall post on the Indiana transparency website the following:

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

SECTION 3. IC 5-14-3.8-7, AS AMENDED BY P.L.137-2012, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. The department may require that prescribed forms be submitted in an electronic format. The department ~~working~~



1 with the office of technology established by IC 4-13.1-2-1 or another
 2 organization that is part of a state educational institution; shall develop
 3 and maintain a secure, web based system that facilitates electronic
 4 submission of the forms under this section. Political subdivisions shall
 5 submit forms under this section through the web based system as
 6 prescribed by the department.

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

- 13 (1) IC 6-1.1-39 (economic development districts).
- 14 (2) IC 8-22-3.5 (airport development zones).
- 15 (3) IC 36-7-14 (redevelopment of areas needing redevelopment
- 16 generally).
- 17 (4) IC 36-7-15.1 (redevelopment of areas in Marion County).
- 18 (5) IC 36-7-30 (reuse of federal military bases).
- 19 (6) IC 36-7-30.5 (development of multicounty federal military
- 20 bases).
- 21 (7) IC 36-7-32 (certified technology parks).
- 22 (8) IC 36-7-32.5 (innovation development districts).
- 23 (9) IC 36-7.5-4.5 (rail transit development districts).

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

41 SECTION 5. IC 6-1.1-3-17, AS AMENDED BY P.L.232-2017,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JANUARY 1, 2026 (RETROACTIVE)]; Sec. 17. (a) On or before June 1 of each year, each township assessor (if any) of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the township assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

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

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

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

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

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



of this chapter for the property becomes effective.

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

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

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

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

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

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

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

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

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

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

(2) Use the data from the six (6) most recent years preceding the year in which the assessment date occurs for which data is available, before one (1) of those six (6) years is eliminated



under subdivision (3) when determining the rolling average.

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

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

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

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

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

shall be used to determine the final base rate.

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

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

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

(i) that market value in use shall be recalculated by using the capitalization rate determined under clauses (A) through (C) for the calculation of the base rate for the assessment date; and

(ii) the market value in use recalculated under item (i) shall be used in the calculation of the six (6) year rolling average under subdivision (1).

(g) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based

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on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

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

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

SECTION 7. IC 6-1.1-4-25, AS AMENDED BY P.L.1-2025, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 25. (a) Each township assessor and each county assessor shall keep the assessor's reassessment data and records current by securing the necessary field data and by making changes in the assessed value of real property as changes occur in the use of the real property. The township or county assessor's records shall at all times show the assessed value of real property in accordance with this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) The county assessor shall:

(1) maintain an electronic data file of:

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

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

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

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

(A) the legislative services agency; and

(B) the department of local government finance;

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

(c) If the county assessor fails to certify to the county auditor



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

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

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

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

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

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

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

37 (c) The publisher of the Indiana Administrative Code shall publish
 38 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative
 39 Code.

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

42 (e) A reference in 50 IAC 5.1 to a governmental entity that has



1 been terminated or a statute that has been repealed or amended shall be
2 treated as a reference to its successor.

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

5 (1) 50 IAC 5.1-6-6.

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

7 (3) 50 IAC 5.1-6-8.

8 (4) 50 IAC 5.1-6-9.

9 (5) 50 IAC 5.1-8-1.

10 (6) 50 IAC 5.1-9-1.

11 (7) 50 IAC 5.1-9-2.

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

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

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

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

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

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

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



1 **Communities**

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

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

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

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

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

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

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

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

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

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

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

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

42 (2) **a pension certificate or an award of compensation issued by**



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the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

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

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

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

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

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

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

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

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

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

(A) that is located in Indiana;

(B) that:



- (i) the individual owns;
- (ii) the individual is buying under a contract recorded in the county recorder's office, or evidenced by a memorandum of contract recorded in the county recorder's office under IC 36-2-11-20, that provides that the individual is to pay the property taxes on the residence, and that obligates the owner to convey title to the individual upon completion of all of the individual's contract obligations;
- (iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or
- (iv) is a residence described in section 17.9 of this chapter ~~that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; (before its expiration); and~~
- (C) that consists of a dwelling and includes up to one (1) acre of land immediately surrounding that dwelling, and any of the following improvements:
- (i) Any number of decks, patios, gazebos, or pools.
- (ii) One (1) additional building that is not part of the dwelling if the building is predominantly used for a residential purpose and is not used as an investment property or as a rental property.
- (iii) One (1) additional residential yard structure other than a deck, patio, gazebo, or pool.
- Except as provided in subsection (r), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.
- (3) "Principal place of residence" means an individual's true, fixed, permanent home to which the individual has the intention of returning after an absence.**
- (b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. Except as provided in subsection (n), the deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:
- (1) the assessment date; or
- (2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this



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

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

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

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

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

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

- (1) the parcel number or key number of the property and the



1 name of the city, town, or township in which the property is
2 located;

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

6 (3) the names of:

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

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

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

14 if the applicant is an individual; or

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

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

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

24 if the applicant is not an individual; and

25 (4) either:

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

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

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

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

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

40 (iv) If the individual does not have a driver's license, a
41 state identification card, or an Internal Revenue
42 Service preparer tax identification number, the last five



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1 (5) digits of a control number that is on a document
 2 issued to the individual by the United States
 3 government.

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

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

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

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

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

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

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

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

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

34 the person must file a certified statement with the auditor of the county,
 35 notifying the auditor of the person's ineligibility, not more than sixty
 36 (60) days after the date of the change in eligibility. A person who fails
 37 to file the statement required by this subsection may, under
 38 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 39 due on the property if the person had filed the statement as required by
 40 this subsection plus a civil penalty equal to ten percent (10%) of the
 41 additional taxes due. The civil penalty imposed under this subsection
 42 is in addition to any interest and penalties for a delinquent payment that



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might otherwise be due. One percent (1%) of the total civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (j) and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

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

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

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

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

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

(k) A county auditor may require an individual to provide evidence proving that the individual's residence is the individual's principal place of residence as claimed in the certified statement filed under subsection (e). The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which



the deduction is claimed is the individual's principal place of residence. The county auditor may not deny an application filed under section 44 of this chapter because the applicant does not have a valid driver's license or state identification card with the address of the homestead property. The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

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

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

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

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

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

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

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

(m) If:

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



1 (2) the county auditor receiving the filed statement determines
 2 that the property owner's property is not eligible for the
 3 deduction;
 4 the county auditor shall inform the property owner of the county
 5 auditor's determination in writing. If a property owner's property is not
 6 eligible for the deduction because the county auditor has determined
 7 that the property is not the property owner's principal place of
 8 residence, the property owner may appeal the county auditor's
 9 determination as provided in IC 6-1.1-15. The county auditor shall
 10 inform the property owner of the owner's right to appeal when the
 11 county auditor informs the property owner of the county auditor's
 12 determination under this subsection.
 13 (n) An individual is entitled to the deduction under this section for
 14 a homestead for a particular assessment date if:
 15 (1) either:
 16 (A) the individual's interest in the homestead as described
 17 in subsection (a)(2)(B) is conveyed to the individual after
 18 the assessment date, but within the calendar year in which
 19 the assessment date occurs; or
 20 (B) the individual contracts to purchase the homestead after
 21 the assessment date, but within the calendar year in which
 22 the assessment date occurs;
 23 (2) on the assessment date:
 24 (A) the property on which the homestead is currently
 25 located was vacant land; or
 26 (B) the construction of the dwelling that constitutes the
 27 homestead was not completed; and
 28 (3) either:
 29 (A) the individual files the certified statement required by
 30 subsection (e); or
 31 (B) a sales disclosure form that meets the requirements of
 32 section 44 of this chapter is submitted to the county assessor
 33 on or before December 31 of the calendar year for the
 34 individual's purchase of the homestead.
 35 An individual who satisfies the requirements of subdivisions (1)
 36 through (3) is entitled to the deduction under this section for the
 37 homestead for the assessment date, even if on the assessment date the
 38 property on which the homestead is currently located was vacant land
 39 or the construction of the dwelling that constitutes the homestead was
 40 not completed. The county auditor shall apply the deduction for the
 41 assessment date and for the assessment date in any later year in which
 42 the homestead remains eligible for the deduction. A homestead that



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1 qualifies for the deduction under this section as provided in this
 2 subsection is considered a homestead for purposes of section 37.5 of
 3 this chapter and IC 6-1.1-20.6.

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

13 (p) This subsection:

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

(1) a partially completed structure; or

(2) a fully completed structure;

for the assessment date in 2009 or a later year.

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

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



residence is assessed as a partially completed structure.

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

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

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

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

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

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

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

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

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

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

SECTION 18. IC 6-1.1-12.8-3, AS ADDED BY P.L.175-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) This chapter



applies only to a residence in inventory that is first assessed as:

(1) a partially completed structure; or

(2) a fully completed structure;

for the assessment date in 2012 or a later year.

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

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

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

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

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

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

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

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

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

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



- 1 verify each statement filed under this section, and the county auditor
2 shall:
- 3 (1) make the deductions; and
 - 4 (2) notify the county property tax assessment board of appeals of
5 all deductions approved;
- 6 under this section.
- 7 (b) The statement referred to in subsection (a) must be verified
8 under penalties for perjury and must contain the following information:
- 9 (1) The assessed value of the real property for which the person
10 is claiming the deduction.
 - 11 (2) The full name and complete business address of the person
12 claiming the deduction.
 - 13 (3) The complete address and a brief description of the real
14 property for which the person is claiming the deduction.
 - 15 (4) The name of any other county in which the person has
16 applied for a deduction under this chapter for that assessment
17 date.
 - 18 (5) The complete address and a brief description of any other
19 real property for which the person has applied for a deduction
20 under this chapter for that assessment date.
 - 21 (6) An affirmation by the owner that the owner is receiving not
22 more than ~~three (3)~~ **seven (7)** deductions under this chapter,
23 including the deduction being applied for by the owner, either:
 - 24 (A) as the owner of the residence in inventory; or
 - 25 (B) as an owner that is part of an affiliated group.
 - 26 (7) An affirmation that the real property has not been leased and
27 will not be leased for any purpose during the term of the
28 deduction.
- 29 SECTION 20. IC 6-1.1-12.8-9, AS ADDED BY P.L.175-2011,
30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Subject to section
32 10 of this chapter, a property owner is entitled to a deduction under this
33 chapter for an assessment date for not more than ~~three (3)~~ **seven (7)**
34 residences in inventory in Indiana.
- 35 (b) The auditor of a county (referred to in this section as the "first
36 county") with whom a statement is filed under section 4 of this chapter
37 shall immediately prepare and transmit a copy of the statement to the
38 auditor of any other county (referred to in this section as the "second
39 county") if the property owner that claims the deduction owns or is
40 buying a residence in inventory located in the second county.
 - 41 (c) The county auditor of the second county shall note on the copy
42 of the statement whether the property owner has claimed a deduction



1 for the current year under section 4 of this chapter for a residence in
 2 inventory located in the second county. The county auditor shall then
 3 return the copy of the statement to the auditor of the first county.

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

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

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

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

29 (1) September 1;

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

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

36 (d) Before the county auditor makes an amendment under
 37 subsection (c), the county auditor must provide an opportunity for
 38 public comment on the proposed amendment at a public hearing. The
 39 county auditor must give notice of the hearing under IC 5-3-1. If the
 40 county auditor makes the amendment as a result of information
 41 provided to the county auditor by an assessor, the county auditor shall
 42 give notice of the public hearing to the assessor.



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

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

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

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

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

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

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

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

(b) If the township submits a petition as provided in subsection (a)



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

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

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

(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal.

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

(A) fifteen-hundredths (0.15); or

(B) the STEP TWO result.

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

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

(1) the amount of the ad valorem property tax levy increase for the township firefighting and emergency services fund under IC 36-8-13-4(a)(1) or the combined levies for the township firefighting fund and township emergency services fund



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described in IC 36-8-13-4(a)(2), as applicable, without regard to this section; plus

(2) an amount equal to the result of:

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

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

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

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

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

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

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

(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal:

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

(A) fifteen-hundredths (0.15); or

(B) the STEP TWO result:

STEP FOUR: Reduce the STEP THREE rate by any rate increase in the fire protection district's property tax rate within



the immediately preceding ten (10) year period that was made based on a petition submitted by the fire protection district under this section:

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

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

(2) an amount equal to the result of:

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

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

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

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

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

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



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

(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal.

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

(A) fifteen-hundredths (0.15); or

(B) the STEP TWO result.

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

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

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

(2) an amount equal to the result of:

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

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

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

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

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for an ensuing calendar year, the civil taxing unit shall, before June 30 of in the immediately preceding year, refer its proposed adopt its budget, ad valorem property tax levy, and property tax rate for the ensuing calendar year to and file the adopted budget, ad valorem property



1 **tax levy, and property tax rate with** the department of local
 2 government finance **as required by IC 6-1.1-17-5.** The department of
 3 local government finance shall ~~make a final determination of review~~
 4 ~~the civil taxing unit's budget, ad valorem property tax levy, and~~
 5 ~~property tax rate for the ensuing calendar year to ensure the adopted~~
 6 ~~budget is fundable based on the civil taxing unit's adopted tax levy~~
 7 ~~and estimates of available revenues. If the adopted budget is~~
 8 ~~fundable, the department of local government finance shall certify~~
 9 ~~the adopted ad valorem property tax levy for the ensuing calendar~~
 10 ~~year.~~ However, a civil taxing unit may not impose a property tax levy
 11 for an ensuing calendar year if the unit did not exist as of January 1 of
 12 the immediately preceding year.

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

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

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

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

42 (1) this chapter, other than section 7.7 or 8.5 of this chapter,



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

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

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

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

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

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

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

(b) The following definitions apply throughout this section:

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

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

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

of a political subdivision payable from ad valorem property



taxes.

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

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

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

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

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

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

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

(d) When:

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

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

the revenue distributed to the fund receiving protected taxes must also be reduced. If the revenue distributed to a fund receiving protected taxes is reduced, the political subdivision may transfer money from one



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

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

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

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

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

(2) the school corporation's:

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

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

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

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

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

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

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



government finance. A school corporation shall compute its percentage under this subsection as determined under the following formula:

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

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

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

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

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

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

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

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

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

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

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



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- 1 formula:
- 2 STEP ONE: Determine the product of:
- 3 (A) the percentage determined under STEP EIGHT of
- 4 subsection (c); multiplied by
- 5 (B) five (5).
- 6 STEP TWO: Determine the lesser of the STEP ONE percentage
- 7 or one hundred percent (100%).
- 8 STEP THREE: Determine the product of:
- 9 (A) the amount determined under STEP SIX of subsection
- 10 (c); multiplied by
- 11 (B) the STEP TWO percentage.
- 12 The school corporation may allocate the amount of credits determined
- 13 under STEP THREE proportionately under this section. The
- 14 department of local government finance shall include in its certification
- 15 of an eligible school corporation under subsection (d) the amount of
- 16 credits that the school corporation may allocate proportionately as
- 17 determined under this subsection.
- 18 (f) This section expires January 1, 2027.
- 19 SECTION 32. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008,
- 20 SECTION 232, IS AMENDED TO READ AS FOLLOWS
- 21 [EFFECTIVE JULY 1, 2026]: Sec. 4. As used in this chapter, "base
- 22 assessed value" means the base assessed value as that term is defined
- 23 or used in:
- 24 (1) ~~IC 6-1.1-39-5(h)~~; IC 6-1.1-39-5(i);
- 25 (2) IC 8-22-3.5-9(a);
- 26 (3) IC 8-22-3.5-9.5;
- 27 (4) IC 36-7-14-39(a);
- 28 (5) IC 36-7-14-39.2;
- 29 (6) IC 36-7-14-39.3(c);
- 30 (7) IC 36-7-14-48;
- 31 (8) IC 36-7-14.5-12.5;
- 32 (9) IC 36-7-15.1-26(a);
- 33 (10) IC 36-7-15.1-26.2(c);
- 34 (11) IC 36-7-15.1-35(a);
- 35 (12) IC 36-7-15.1-35.5;
- 36 (13) IC 36-7-15.1-53;
- 37 (14) IC 36-7-15.1-55(c);
- 38 (15) IC 36-7-30-25(a)(2);
- 39 (16) IC 36-7-30-26(c);
- 40 (17) IC 36-7-30.5-30; or
- 41 (18) IC 36-7-30.5-31.
- 42 SECTION 33. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008,



SECTION 236, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: Sec. 7. As used in this chapter, "property
taxes" means:

(1) property taxes, as defined in:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Indiana law prohibits a person who owes delinquent taxes,



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

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

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

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

(3) remit the amounts owed from a final adjudication or civil



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penalties in favor of a political subdivision to the political subdivision;

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

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

(A) the date of the sale;

(B) the name of the buyer;

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

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

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

real property.

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

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

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

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

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

(A) the date of the sale;

(B) the name of the buyer;

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

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

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

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

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

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



1 deed.

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

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

21 (b) An individual or business entity may not bid or purchase
22 a tract or item of real property offered for sale under section 5 or
23 6.1 of this chapter if:

- 24 (1) the individual; or
- 25 (2) an individual with a significant ownership interest or
26 financial interest in the business entity also held a significant
27 ownership interest or financial interest in another business
28 entity that;

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

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

- 42 (1) a description of real property that corresponds to the



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- 1 description used on the notice of sale;
 2 (2) the name of:
 3 (A) the owner of record at the time of the sale of real
 4 property with a single owner; or
 5 (B) at least one (1) of the owners of real property with
 6 multiple owners;
 7 (3) the mailing address of the owner of the real property sold as
 8 indicated in the records of the county auditor;
 9 (4) the name and mailing address of the purchaser;
 10 (5) the date of sale;
 11 (6) the amount for which the real property was sold;
 12 (7) the amount of the minimum bid for which the tract or real
 13 property was offered at the time of sale as required by section 5
 14 of this chapter;
 15 (8) the date when the period of redemption specified in
 16 IC 6-1.1-25-4 will expire;
 17 (9) the court cause number under which judgment was obtained;
 18 and
 19 (10) the street address, if any, or common description of the real
 20 property.
 21 (b) When a certificate of sale is issued under this section, the
 22 purchaser acquires a lien against the real property for the entire amount
 23 paid. The lien of the purchaser is superior to all liens against the real
 24 property which exist at the time the certificate is issued.
 25 (c) A certificate of sale is assignable. However, a purchaser who
 26 acquires a certificate of sale may not assign the certificate of sale to a
 27 person who was not eligible under section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this
 28 chapter to bid on or purchase real property at a tax sale held under
 29 section 5 or 6.1 of this chapter until the person satisfies the eligibility
 30 requirements as determined by the county auditor. In addition to the
 31 prohibition on the assignment of a tax sale certificate to a person
 32 described in section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this chapter until the
 33 person satisfies the eligibility requirements as determined by the county
 34 auditor, a county legislative body may adopt an ordinance further
 35 prohibiting the assignment of a certificate of sale acquired at a
 36 treasurer's sale (pursuant to section 5 of this chapter) or at a county
 37 executive's tax sale (pursuant to section 6.1 of this chapter) prior to the
 38 issuance of a tax deed for the real property by the county auditor.
 39 (d) An assignment not prohibited by an ordinance adopted under
 40 subsection (c) is not valid unless the county auditor first determines the
 41 person is eligible to receive the assignment. If the county auditor
 42 determines the person is eligible to receive the assignment, the



following requirements apply:

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

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

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

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

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

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

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

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

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

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

(B) the base assessed value;

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



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

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

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

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

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

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

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon



or in, or added to, the economic development district effective on the next assessment date after the petition.

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

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

(2) the base assessed value.

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

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



distribution of allocated tax proceeds under this section to the respective taxing units.

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

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

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

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

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

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

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

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

SECTION 39. IC 6-1.1-41-4, AS AMENDED BY P.L.38-2021, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2026]: Sec. 4. (a) A political subdivision that in any year adopts a proposal under this chapter must submit the proposal to the department of local government finance:

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

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

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

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

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

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

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

(b) The department of local government finance, in consultation with the department of state revenue, may make electronically available uniform notices, ordinances, and resolutions that an adopting body or other governmental entity may use to take an action under this article. ~~[An adopting body or other governmental entity may submit a proposed notice, ordinance, or resolution to the department of local government finance for review not later than thirty (30) days prior to the date that the adopting body or governing body intends to submit the notice;~~



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adopting ordinance or resolution; and vote results on an ordinance or resolution under subsection (d): If the adopting body or other governmental entity wishes to submit the proposed notice, ordinance, or resolution to the department of local government finance for review, the adopting body or other governmental entity shall submit the proposed notice, ordinance, or resolution to the department of local government finance on the prescribed forms. The department of local government finance shall provide to the submitting entity a determination of the appropriateness of the proposed notice, ordinance, or resolution, including recommended modifications, within thirty (30) days of receiving the proposed notice, ordinance, or resolution.

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

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

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

(1) To make the following distributions:

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

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

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



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

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

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

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

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

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

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

(b) In the case of a civil taxing unit that has pledged the tax from additional revenue for the payment of bonds, leases, or other obligations as reported by the civil taxing unit under IC 5-1-18, the adopting body may not, under section 4 of this chapter, reduce the proportional allocation of the additional revenue that was allocated in the preceding year if the reduction for that year would result in an amount less than the amount necessary for the payment of bonds, leases, or other obligations payable or required to be deposited in a sinking fund or other reserve in that year for the bonds, leases, or other obligations for which the tax from additional revenue has been pledged.



To inform an adopting body with regard to allocations that affect the payment of bonds, leases, or other obligations, a taxing unit may provide the adopting body with information regarding any outstanding bonds, leases, or other obligations that are secured by additional revenue. The information must be provided before the date of the public hearing at which the adopting body may change the allocation of additional revenue under section 4 of this chapter.

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

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

located in the county.

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

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

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

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



1 tax as the department of state revenue may, by rule, determine.

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

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

13 (b) After each reassessment under IC 6-1.1-4, 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 (as defined in section 9 of this chapter) one (1) time to
17 neutralize any effect of the reassessment on the property tax proceeds
18 allocated to the airport development zone's special funds under section
19 9 of this chapter.

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

27 (d) **The county auditor shall, in the manner prescribed by the**
28 **department of local government finance, submit the forms**
29 **required by this section to the department of local government**
30 **finance no later than July 15 of each year. If the county auditor**
31 **fails to submit the forms by the deadline under this subsection, the**
32 **county auditor shall allocate five percent (5%) of the assessed**
33 **value in the allocation area that is used to calculate the allocation**
34 **and distribution of allocated tax proceeds under this section to the**
35 **respective taxing units. However, if the commission notifies the**
36 **county auditor and the department of local government finance, no**
37 **later than July 15, that it is unable to meet its debt service**
38 **obligations with regard to the allocation area without all or part of**
39 **the allocated tax proceeds attributed to the assessed value that has**
40 **been allocated to the respective taxing units, then the county**
41 **auditor may not allocate five percent (5%) of the assessed value in**
42 **the allocation area that is used to calculate the allocation and**



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1 **distribution of allocated tax proceeds under this section to the**
 2 **respective taxing units.**

3 SECTION 44. IC 36-1-12-3, AS AMENDED BY P.L.86-2025,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) The board may
 6 purchase or lease materials in the manner provided in IC 5-22 and
 7 perform any public work, by means of its own workforce, without
 8 awarding a contract whenever the cost of that public work project is
 9 estimated to be less than three hundred seventy-five thousand dollars
 10 (\$375,000), adjusted annually by ~~the~~ **an amount equal to the**
 11 **unadjusted** percentage change **for all items** in the Consumer Price
 12 Index for all Urban Consumers as published by the United States
 13 Bureau of Labor Statistics **for the immediately preceding year. On**
 14 **or before January 15, 2026, and on or before January 1 of each**
 15 **year thereafter**, the department of local government finance shall
 16 annually publish the adjusted cost estimate threshold for the current
 17 year, determined in the manner required by this subsection, ~~on the~~
 18 ~~department's website. in the Indiana Register under IC 4-22-7-7. For~~
 19 **purposes of applying the annual cost estimate threshold**
 20 **adjustment, the annual percentage change is applied to the**
 21 **adjusted amount for the immediately preceding year.**

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

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

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

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

- 36 (1) the workforce, through demonstrated skills, training, or
- 37 expertise, is capable of performing the public work; and
- 38 (2) for a public work project under subsection (a) whose cost is
- 39 estimated to be more than one hundred thousand dollars
- 40 (\$100,000), the board:

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

- 42 (i) describes the public work that the board intends to



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perform with its own workforce; and
(ii) sets forth the projected cost of each component of
the public work as described in subsection (a); and
(B) determines at a public meeting that it is in the public
interest to perform the public work with the board's own
workforce.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

(2) either:

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

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

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

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

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

SECTION 47. IC 36-7-14-39, AS AMENDED BY P.L.181-2025, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2026]: Sec. 39. (a) As used in this section:

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

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

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

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

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

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

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

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

(3) If:

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

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

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date



of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

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

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

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

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

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



date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. Notwithstanding any other law, in the case of an allocation area that is established after June 30, 2019, and that is located in a redevelopment project area described in section 25.1(c)(3)(C) of this chapter, an economic development area described in section 25.1(c)(3)(C) of this chapter, or an urban renewal project area described in section 25.1(c)(3)(C) of this chapter, the expiration date of the allocation provision may not be more than thirty-five (35) years after the date on which the allocation provision is established. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

(2) This subdivision applies to a fire protection territory established after December 31, 2022. If a unit becomes a participating unit of a fire protection territory that is established



after a declaratory resolution is adopted under section 15 of this chapter, the excess of the proceeds of the property taxes attributable to an increase in the property tax rate for the participating unit of a fire protection territory:

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

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

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

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

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

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

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



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in subdivisions (1) and (2) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

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

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

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

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

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

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

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

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

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

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the



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

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

STEP TWO: Divide:

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

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

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

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

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

(i) in the allocation area; and

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

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



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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

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

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

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



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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (4) or lessors under section 25.3 of this chapter.

If a commission fails to provide the notice under this clause, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of 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.



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- 1 (C) If:
- 2 (i) the amount of excess assessed value determined by
- 3 the commission is expected to generate more than two
- 4 hundred percent (200%) of the amount of allocated tax
- 5 proceeds necessary to make, when due, principal and
- 6 interest payments on bonds described in subdivision
- 7 (4); plus
- 8 (ii) the amount necessary for other purposes described
- 9 in subdivision (4);
- 10 the commission shall submit to the legislative body of the
- 11 unit its determination of the excess assessed value that the
- 12 commission proposes to allocate to the respective taxing
- 13 units in the manner prescribed in subdivision (1). The
- 14 legislative body of the unit may approve the commission's
- 15 determination or modify the amount of the excess assessed
- 16 value that will be allocated to the respective taxing units in
- 17 the manner prescribed in subdivision (1).
- 18 (6) Notwithstanding subdivision (5), in the case of an allocation
- 19 area that is established after June 30, 2019, and that is located in
- 20 a redevelopment project area described in section 25.1(c)(3)(C)
- 21 of this chapter, an economic development area described in
- 22 section 25.1(c)(3)(C) of this chapter, or an urban renewal project
- 23 area described in section 25.1(c)(3)(C) of this chapter, for each
- 24 year the allocation provision is in effect, if the amount of excess
- 25 assessed value determined by the commission under subdivision
- 26 (5)(A) is expected to generate more than two hundred percent
- 27 (200%) of:
- 28 (A) the amount of allocated tax proceeds necessary to make,
- 29 when due, principal and interest payments on bonds
- 30 described in subdivision (4) for the project; plus
- 31 (B) the amount necessary for other purposes described in
- 32 subdivision (4) for the project;
- 33 the amount of the excess assessed value that generates more than
- 34 two hundred percent (200%) of the amounts described in clauses
- 35 (A) and (B) shall be allocated to the respective taxing units in
- 36 the manner prescribed by subdivision (1).
- 37 (c) For the purpose of allocating taxes levied by or for any taxing
- 38 unit or units, the assessed value of taxable property in a territory in the
- 39 allocation area that is annexed by any taxing unit after the effective
- 40 date of the allocation provision of the declaratory resolution is the
- 41 lesser of:
- 42 (1) the assessed value of the property for the assessment date



1 with respect to which the allocation and distribution is made; or
 2 (2) the base assessed value.

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

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

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

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

18 (2) the base assessed value.

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



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1 job training, job enrichment, and basic skill development that are
 2 designed to benefit residents and employers in the enterprise zone or
 3 other purposes specified in subsection (b)(4), except that where
 4 reference is made in subsection (b)(4) to allocation area it shall refer
 5 for purposes of payments from the special zone fund only to that part
 6 of the allocation area that is also located in the enterprise zone. Those
 7 programs shall reserve at least one-half (1/2) of their enrollment in any
 8 session for residents of the enterprise zone.

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

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

27 (2) may not produce less property tax proceeds allocable to the
 28 redevelopment district under subsection (b)(4) than would
 29 otherwise have been received if the reassessment under the
 30 reassessment plan or the annual adjustment had not occurred;
 31 and

32 (3) may decrease base assessed value only to the extent that
 33 assessed values in the allocation area have been decreased due
 34 to annual adjustments or the reassessment under the
 35 reassessment plan.

36 Assessed value increases attributable to the application of an abatement
 37 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 38 value of an allocation area. ~~The department of local government~~
 39 ~~finance may prescribe procedures for county and township officials to~~
 40 ~~follow to assist the department in making the adjustments. The county~~
 41 **auditor shall, in the manner prescribed by the department of local**
 42 **government finance, submit the forms required by this subsection**



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

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

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

STEP TWO: Divide:

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

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

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

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

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

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

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable



from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

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

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

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

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

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

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

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

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

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

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

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

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



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each year. The notice must:

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

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

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

(3) If:

(A) the amount of excess assessed value determined by the commission is expected to generate more than two hundred 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).



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

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

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

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

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

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

(4) To do any of the following:

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

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



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

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

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

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

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

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

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

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

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

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

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

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

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of



the other taxing units that is wholly or partly located within the allocation area. The county auditor, upon receiving the notice, shall forward this notice (in an electronic format) to the department of local government finance not later than June 15 of each year. The notice must:

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

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

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

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

(1) property taxes, as described in:

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

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

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

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

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

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

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

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

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



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(J) IC 36-7-30-25(a)(3);
 (K) IC 36-7-30-26(c);
 (L) IC 36-7-30.5-30; or
 (M) IC 36-7-30.5-31; and

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

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

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

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

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

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

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

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

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

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



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(3) If:

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

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution; the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

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

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

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

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

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



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

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

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

(B) the base assessed value;

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



the respective taxing units.

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

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

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

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

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

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

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

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

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

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



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

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

(i) in the allocation area; and

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

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

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

(A) Determine the amount, if any, by which the assessed



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

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

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

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



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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 lesser of:

(1) the assessed value of the property as valued without regard



1 to this section; or

2 (2) the base assessed value.

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

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

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

32 (A) Businesses operating in the enterprise zone.

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

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

41 (h) The state board of accounts and department of local
 42 government finance shall make the rules and prescribe the forms and



procedures that they consider expedient for the implementation of this chapter. After each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the reassessment under the reassessment plan or annual adjustment had not occurred. ~~The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.~~ **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subsection to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the commission notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

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

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



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

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

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

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

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

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

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

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

SECTION 52. IC 36-7-15.1-26, AS AMENDED BY P.L.68-2025, SECTION 235, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this section:

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

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

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



1 resolution establishing an economic development area:

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

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

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

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

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

25 (3) If:

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

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

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

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

41 (5) If an allocation area established in an economic development
42 area before July 1, 1995, is expanded after June 30, 1995, the



1 definition in subdivision (1) applies to the expanded part of the
2 area added after June 30, 1995.

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

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

20 (b) A resolution adopted under section 8 of this chapter on or
21 before the allocation deadline determined under subsection (i) may
22 include a provision with respect to the allocation and distribution of
23 property taxes for the purposes and in the manner provided in this
24 section. A resolution previously adopted may include an allocation
25 provision by the amendment of that resolution on or before the
26 allocation deadline determined under subsection (i) in accordance with
27 the procedures required for its original adoption. A declaratory
28 resolution or amendment that establishes an allocation provision must
29 include a specific finding of fact, supported by evidence, that the
30 adoption of the allocation provision will result in new property taxes in
31 the area that would not have been generated but for the adoption of the
32 allocation provision. For an allocation area established before July 1,
33 1995, the expiration date of any allocation provisions for the allocation
34 area is June 30, 2025, or the last date of any obligations that are
35 outstanding on July 1, 2015, whichever is later. However, for an
36 allocation area identified as the Consolidated Allocation Area in the
37 report submitted in 2013 to the fiscal body under section 36.3 of this
38 chapter, the expiration date of any allocation provisions for the
39 allocation area is January 1, 2051. A declaratory resolution or an
40 amendment that establishes an allocation provision after June 30, 1995,
41 must specify an expiration date for the allocation provision. For an
42 allocation area established before July 1, 2008, the expiration date may



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

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

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

(B) the base assessed value;

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

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

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

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



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or refinancing the redevelopment of that allocation area.

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

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

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

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

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

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

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

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

(i) in the allocation area; and

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

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

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



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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

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

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

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

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



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

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

(C) If:

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

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

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



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amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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

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

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

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

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

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

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



subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

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

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

(A) Businesses operating in the enterprise zone.

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

STEP TWO: Divide:

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

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

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

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

(1) That the money to be collected and deposited in the



allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Provide a written notice to the county auditor, the legislative



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

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

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

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

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



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

5 "Allocation area" means that part of a redevelopment project area
 6 to which an allocation provision of a resolution adopted under section
 7 40 of this chapter refers for purposes of distribution and allocation of
 8 property taxes.

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

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

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

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

20 (b) A resolution adopted under section 40 of this chapter on or
 21 before the allocation deadline determined under subsection (i) may
 22 include a provision with respect to the allocation and distribution of
 23 property taxes for the purposes and in the manner provided in this
 24 section. A resolution previously adopted may include an allocation
 25 provision by the amendment of that resolution on or before the
 26 allocation deadline determined under subsection (i) in accordance with
 27 the procedures required for its original adoption. A declaratory
 28 resolution or an amendment that establishes an allocation provision
 29 must be approved by resolution of the legislative body of the excluded
 30 city and must specify an expiration date for the allocation provision.
 31 For an allocation area established before July 1, 2008, the expiration
 32 date may not be more than thirty (30) years after the date on which the
 33 allocation provision is established. For an allocation area established
 34 after June 30, 2008, the expiration date may not be more than
 35 twenty-five (25) years after the date on which the first obligation was
 36 incurred to pay principal and interest on bonds or lease rentals on
 37 leases payable from tax increment revenues. However, with respect to
 38 bonds or other obligations that were issued before July 1, 2008, if any
 39 of the bonds or other obligations that were scheduled when issued to
 40 mature before the specified expiration date and that are payable only
 41 from allocated tax proceeds with respect to the allocation area remain
 42 outstanding as of the expiration date, the allocation provision does not



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

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

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

12 (B) the base assessed value;

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

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

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

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

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

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

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



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

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

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

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

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

(i) in the allocation area; and

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

- 40 (1) To pay for programs in job training, job enrichment, and
 41 basic skill development designed to benefit residents and
 42 employers in the enterprise zone. The programs must reserve at



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1 least one-half (1/2) of the enrollment in any session for residents
2 of the enterprise zone.

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

7 (A) Businesses operating in the enterprise zone.

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

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

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



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

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

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

18 (2) Subject to subdivision (3), the initial allocation deadline and
 19 subsequent allocation deadlines are automatically extended in
 20 increments of five (5) years, so that allocation deadlines
 21 subsequent to the initial allocation deadline fall on December 31,
 22 2016, and December 31 of each fifth year thereafter.

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

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

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

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

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

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

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



"residential property" refers to the assessed value of property that is allocated to the one percent (1%) homestead land and improvement categories in the county tax and billing software system, along with the residential assessed value as defined for purposes of calculating the rate for the local income tax property tax relief credit designated for residential property under IC 6-3.6-5-6(d)(3).

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

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

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

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

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

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

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to



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

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

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

(B) the base assessed value;

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

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

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

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

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

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



special tax levied under section 50 of this chapter.

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

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

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

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

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

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

(i) in the allocation area; and

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

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

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

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

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation



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area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

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

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

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

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



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under this section to the respective taxing units.

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

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

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

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

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

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

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



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based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

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

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

(A) Businesses operating in the enterprise zone.

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

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

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment of real property in an area under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. ~~The department of local government finance may prescribe procedures for~~



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

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

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

23 (2) Subject to subdivision (3), the initial allocation deadline and
 24 subsequent allocation deadlines are automatically extended in
 25 increments of five (5) years, so that allocation deadlines
 26 subsequent to the initial allocation deadline fall on December 31,
 27 2016, and December 31 of each fifth year thereafter.

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

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

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

35 (j) If the commission adopts a declaratory resolution or an
 36 amendment to a declaratory resolution that contains an allocation
 37 provision and the commission makes either of the filings required
 38 under section 10(e) of this chapter after the first anniversary of the
 39 effective date of the allocation provision, the auditor of the county in
 40 which the unit is located shall compute the base assessed value for the
 41 allocation area using the assessment date immediately preceding the
 42 later of:



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

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

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

SECTION 56. IC 36-7-15.1-62, AS AMENDED BY P.L.257-2019, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 59 of this chapter, "base assessed value" means, subject to section 26(j) of this chapter, the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter.

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

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

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

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

(4) To do any of the following:

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

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



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

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

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to the allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in the allocation area.

(F) Make payments on leases payable from allocated tax proceeds in the allocation area under section 17.1 of this chapter.

(G) Reimburse the unit for expenditures made by the unit for local public improvements (which include buildings, parking facilities, and other items described in section 17(a) of this chapter) that are physically located in or physically connected to the allocation area.

(c) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the allocation fund established under section 26(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 59 of this chapter, do the following before June 15 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 26(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (b)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other



1 taxing units that is wholly or partly located within the allocation
2 area, and (in an electronic format) the department of local
3 government finance. The notice must:

4 (A) state the amount, if any, of excess property taxes that
5 the commission has determined may be paid to the
6 respective taxing units in the manner prescribed in section
7 26(b)(1) of this chapter; or

8 (B) state that the commission has determined that there is
9 no excess assessed value that may be allocated to the
10 respective taxing units in the manner prescribed in
11 subdivision (1).

12 The county auditor shall allocate to the respective taxing units the
13 amount, if any, of excess assessed value determined by the
14 commission. **If a commission fails to provide the notice under**
15 **subdivision (2), the county auditor shall allocate five percent (5%)**
16 **of the assessed value in the allocation area that is used to calculate**
17 **the allocation and distribution of allocated tax proceeds under this**
18 **section to the respective taxing units. However, if the commission**
19 **notifies the county auditor and the department of local government**
20 **finance, no later than July 15, that it is unable to meet its debt**
21 **service obligations with regard to the allocation area without all or**
22 **part of the allocated tax proceeds attributed to the assessed value**
23 **that has been allocated to the respective taxing units, then the**
24 **county auditor may not allocate five percent (5%) of the assessed**
25 **value in the allocation area that is used to calculate the allocation**
26 **and distribution of allocated tax proceeds under this section to the**
27 **respective taxing units.**

28 SECTION 57. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,
29 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2026]: Sec. 25. (a) The following definitions apply throughout
31 this section:

32 (1) "Allocation area" means that part of a military base reuse
33 area to which an allocation provision of a declaratory resolution
34 adopted under section 10 of this chapter refers for purposes of
35 distribution and allocation of property taxes.

36 (2) "Base assessed value" means, subject to subsection (i):

37 (A) the net assessed value of all the property as finally
38 determined for the assessment date immediately preceding
39 the adoption date of the allocation provision of the
40 declaratory resolution, as adjusted under subsection (h);
41 plus

42 (B) to the extent that it is not included in clause (A) or (C),



the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus (C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the allocation area, as finally determined for the current assessment date.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution are made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid



1 into the funds of the taxing unit for which the referendum or
2 local public question was conducted.

3 (3) Except as otherwise provided in this section, property tax
4 proceeds in excess of those described in subdivisions (1) and (2)
5 shall be allocated to the military base reuse district and, when
6 collected, paid into an allocation fund for that allocation area
7 that may be used by the military base reuse district and only to
8 do one (1) or more of the following:

9 (A) Pay the principal of and interest and redemption
10 premium on any obligations incurred by the military base
11 reuse district or any other entity for the purpose of financing
12 or refinancing military base reuse activities in or directly
13 serving or benefiting that allocation area.

14 (B) Establish, augment, or restore the debt service reserve
15 for bonds payable solely or in part from allocated tax
16 proceeds in that allocation area or from other revenues of
17 the reuse authority, including lease rental revenues.

18 (C) Make payments on leases payable solely or in part from
19 allocated tax proceeds in that allocation area.

20 (D) Reimburse any other governmental body for
21 expenditures made for local public improvements (or
22 structures) in or directly serving or benefiting that allocation
23 area.

24 (E) Pay expenses incurred by the reuse authority, any other
25 department of the unit, or a department of another
26 governmental entity for local public improvements or
27 structures that are in the allocation area or directly serving
28 or benefiting the allocation area, including expenses for the
29 operation and maintenance of these local public
30 improvements or structures if the reuse authority determines
31 those operation and maintenance expenses are necessary or
32 desirable to carry out the purposes of this chapter.

33 (F) Reimburse public and private entities for expenses
34 incurred in training employees of industrial facilities that
35 are located:

36 (i) in the allocation area; and

37 (ii) on a parcel of real property that has been classified
38 as industrial property under the rules of the department
39 of local government finance.

40 However, the total amount of money spent for this purpose
41 in any year may not exceed the total amount of money in the
42 allocation fund that is attributable to property taxes paid by



the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

(4) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area.

The notice must:

(i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 19 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date



1 with respect to which the allocation and distribution is made; or
 2 (2) the base assessed value.

3 (d) Property tax proceeds allocable to the military base reuse
 4 district under subsection (b)(3) may, subject to subsection (b)(4), be
 5 irrevocably pledged by the military base reuse district for payment as
 6 set forth in subsection (b)(3).

7 (e) Notwithstanding any other law, each assessor shall, upon
 8 petition of the reuse authority, reassess the taxable property situated
 9 upon or in or added to the allocation area, effective on the next
 10 assessment date after the petition.

11 (f) Notwithstanding any other law, the assessed value of all taxable
 12 property in the allocation area, for purposes of tax limitation, property
 13 tax replacement, and the making of the budget, tax rate, and tax levy
 14 for each political subdivision in which the property is located is the
 15 lesser of:

16 (1) the assessed value of the property as valued without regard
 17 to this section; or

18 (2) the base assessed value.

19 (g) If any part of the allocation area is located in an enterprise zone
 20 created under IC 5-28-15, the unit that designated the allocation area
 21 shall create funds as specified in this subsection. A unit that has
 22 obligations, bonds, or leases payable from allocated tax proceeds under
 23 subsection (b)(3) shall establish an allocation fund for the purposes
 24 specified in subsection (b)(3) and a special zone fund. Such a unit
 25 shall, until the end of the enterprise zone phase out period, deposit each
 26 year in the special zone fund any amount in the allocation fund derived
 27 from property tax proceeds in excess of those described in subsection
 28 (b)(1) and (b)(2) from property located in the enterprise zone that
 29 exceeds the amount sufficient for the purposes specified in subsection
 30 (b)(3) for the year. The amount sufficient for purposes specified in
 31 subsection (b)(3) for the year shall be determined based on the pro rata
 32 part of such current property tax proceeds from the part of the
 33 enterprise zone that is within the allocation area as compared to all
 34 such current property tax proceeds derived from the allocation area. A
 35 unit that does not have obligations, bonds, or leases payable from
 36 allocated tax proceeds under subsection (b)(3) shall establish a special
 37 zone fund and deposit all the property tax proceeds in excess of those
 38 described in subsection (b)(1) and (b)(2) that are derived from property
 39 in the enterprise zone in the fund. The unit that creates the special zone
 40 fund shall use the fund (based on the recommendations of the urban
 41 enterprise association) for programs in job training, job enrichment,
 42 and basic skill development that are designed to benefit residents and



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1 employers in the enterprise zone or other purposes specified in
 2 subsection (b)(3), except that where reference is made in subsection
 3 (b)(3) to allocation area it shall refer for purposes of payments from the
 4 special zone fund only to that part of the allocation area that is also
 5 located in the enterprise zone. The programs shall reserve at least
 6 one-half (1/2) of their enrollment in any session for residents of the
 7 enterprise zone.

8 (h) After each reassessment of real property in an area under the
 9 county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of~~
 10 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 11 **by the department of local government finance**, adjust the base
 12 assessed value one (1) time to neutralize any effect of the reassessment
 13 of the real property in the area on the property tax proceeds allocated
 14 to the military base reuse district under this section. After each annual
 15 adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~
 16 ~~finance~~ **county auditor** shall, **on forms prescribed by the**
 17 **department of local government finance**, adjust the base assessed
 18 value to neutralize any effect of the annual adjustment on the property
 19 tax proceeds allocated to the military base reuse district under this
 20 section. However, the adjustments under this subsection may not
 21 include the effect of property tax abatements under IC 6-1.1-12.1, and
 22 these adjustments may not produce less property tax proceeds allocable
 23 to the military base reuse district under subsection (b)(3) than would
 24 otherwise have been received if the reassessment under the county's
 25 reassessment plan or annual adjustment had not occurred. ~~The~~
 26 ~~department of local government finance may prescribe procedures for~~
 27 ~~county and township officials to follow to assist the department in~~
 28 ~~making the adjustments.~~ **The county auditor shall, in the manner**
 29 **prescribed by the department of local government finance, submit**
 30 **the forms required by this subsection to the department of local**
 31 **government finance no later than July 15 of each year. If the**
 32 **county auditor fails to submit the forms by the deadline under this**
 33 **subsection, the county auditor shall allocate five percent (5%) of**
 34 **the assessed value in the allocation area that is used to calculate the**
 35 **allocation and distribution of allocated tax proceeds under this**
 36 **section to the respective taxing units. However, if the reuse**
 37 **authority notifies the county auditor and the department of local**
 38 **government finance, no later than July 15, that it is unable to meet**
 39 **its debt service obligations with regard to the allocation area**
 40 **without all or part of the allocated tax proceeds attributed to the**
 41 **assessed value that has been allocated to the respective taxing**
 42 **units, then the county auditor may not allocate five percent (5%)**



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of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.

(i) If the reuse authority adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the reuse authority makes either of the filings required under section 12(c) or 13(f) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the military base reuse district is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of:

(1) the date on which the documents are filed with the county auditor; or

(2) the date on which the documents are filed with the department of local government finance.

(j) For an allocation area established after June 30, 2024, "residential property" refers to the assessed value of property that is allocated to the one percent (1%) homestead land and improvement categories in the county tax and billing software system, along with the residential assessed value as defined for purposes of calculating the rate for the local income tax property tax relief credit designated for residential property under IC 6-3.6-5-6(d)(3).

SECTION 58. IC 36-7-30-25, AS AMENDED BY P.L.68-2025, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means, subject to subsection (i):

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B),



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the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, within the allocation area, as finally determined for the current assessment date.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution are made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the military base reuse district and, when



collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay expenses incurred by the reuse authority, any other department of the unit, or a department of another governmental entity for local public improvements or structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

(F) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(G) Expend money and provide financial assistance as



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- 1 authorized in section 9(a)(25) of this chapter.
 2 Except as provided in clause (E), the allocation fund may not be
 3 used for operating expenses of the reuse authority.
 4 (4) Except as provided in subsection (g), before July 15 of each
 5 year the reuse authority shall do the following:
 6 (A) Determine the amount, if any, by which property taxes
 7 payable to the allocation fund in the following year will
 8 exceed the amount of property taxes necessary to make,
 9 when due, principal and interest payments on bonds
 10 described in subdivision (3) plus the amount necessary for
 11 other purposes described in subdivision (3).
 12 (B) Provide a written notice to the county auditor, the fiscal
 13 body of the unit that established the reuse authority, and the
 14 officers who are authorized to fix budgets, tax rates, and tax
 15 levies under IC 6-1.1-17-5 for each of the other taxing units
 16 that is wholly or partly located within the allocation area.
 17 The notice must:
 18 (i) state the amount, if any, of excess property taxes
 19 that the reuse authority has determined may be paid to
 20 the respective taxing units in the manner prescribed in
 21 subdivision (1); or
 22 (ii) state that the reuse authority has determined that
 23 there are no excess property tax proceeds that may be
 24 allocated to the respective taxing units in the manner
 25 prescribed in subdivision (1).
 26 The county auditor shall allocate to the respective taxing
 27 units the amount, if any, of excess property tax proceeds
 28 determined by the reuse authority. The reuse authority may
 29 not authorize a payment to the respective taxing units under
 30 this subdivision if to do so would endanger the interest of
 31 the holders of bonds described in subdivision (3) or lessors
 32 under section 19 of this chapter.
 33 (c) For the purpose of allocating taxes levied by or for any taxing
 34 unit or units, the assessed value of taxable property in a territory in the
 35 allocation area that is annexed by a taxing unit after the effective date
 36 of the allocation provision of the declaratory resolution is the lesser of:
 37 (1) the assessed value of the property for the assessment date
 38 with respect to which the allocation and distribution is made; or
 39 (2) the base assessed value.
 40 (d) Property tax proceeds allocable to the military base reuse
 41 district under subsection (b)(3) may, subject to subsection (b)(4), be
 42 irrevocably pledged by the military base reuse district for payment as



1 set forth in subsection (b)(3).

2 (e) Notwithstanding any other law, each assessor shall, upon
3 petition of the reuse authority, reassess the taxable property situated
4 upon or in or added to the allocation area, effective on the next
5 assessment date after the petition.

6 (f) Notwithstanding any other law, the assessed value of all taxable
7 property in the allocation area, for purposes of tax limitation, property
8 tax replacement, and the making of the budget, tax rate, and tax levy
9 for each political subdivision in which the property is located is the
10 lesser of:

11 (1) the assessed value of the property as valued without regard
12 to this section; or

13 (2) the base assessed value.

14 (g) If any part of the allocation area is located in an enterprise zone
15 created under IC 5-28-15, the unit that designated the allocation area
16 shall create funds as specified in this subsection. A unit that has
17 obligations, bonds, or leases payable from allocated tax proceeds under
18 subsection (b)(3) shall establish an allocation fund for the purposes
19 specified in subsection (b)(3) and a special zone fund. Such a unit
20 shall, until the end of the enterprise zone phase out period, deposit each
21 year in the special zone fund any amount in the allocation fund derived
22 from property tax proceeds in excess of those described in subsection
23 (b)(1) and (b)(2) from property located in the enterprise zone that
24 exceeds the amount sufficient for the purposes specified in subsection
25 (b)(3) for the year. The amount sufficient for purposes specified in
26 subsection (b)(3) for the year shall be determined based on the pro rata
27 part of such current property tax proceeds from the part of the
28 enterprise zone that is within the allocation area as compared to all
29 such current property tax proceeds derived from the allocation area. A
30 unit that does not have obligations, bonds, or leases payable from
31 allocated tax proceeds under subsection (b)(3) shall establish a special
32 zone fund and deposit all the property tax proceeds in excess of those
33 described in subsection (b)(1) and (b)(2) that are derived from property
34 in the enterprise zone in the fund. The unit that creates the special zone
35 fund shall use the fund (based on the recommendations of the urban
36 enterprise association) for programs in job training, job enrichment,
37 and basic skill development that are designed to benefit residents and
38 employers in the enterprise zone or other purposes specified in
39 subsection (b)(3), except that where reference is made in subsection
40 (b)(3) to allocation area it shall refer for purposes of payments from the
41 special zone fund only to that part of the allocation area that is also
42 located in the enterprise zone. The programs shall reserve at least



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one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each reassessment of real property in an area under the county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(3) than would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. ~~The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.~~ **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subsection to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the reuse authority notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(i) If the reuse authority adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation



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1 provision and the reuse authority makes either of the filings required
 2 under section 12(c) or 13(f) of this chapter after the first anniversary of
 3 the effective date of the allocation provision, the auditor of the county
 4 in which the military base reuse district is located shall compute the
 5 base assessed value for the allocation area using the assessment date
 6 immediately preceding the later of:

7 (1) the date on which the documents are filed with the county
 8 auditor; or

9 (2) the date on which the documents are filed with the
 10 department of local government finance.

11 (j) For an allocation area established after June 30, 2024,
 12 "residential property" refers to the assessed value of property that is
 13 allocated to the one percent (1%) homestead land and improvement
 14 categories in the county tax and billing software system, along with the
 15 residential assessed value as defined for purposes of calculating the
 16 rate for the local income tax property tax relief credit designated for
 17 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

18 SECTION 59. IC 36-7-30.5-30, AS AMENDED BY
 19 P.L.174-2022, SECTION 75, IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 30. (a) The following
 21 definitions apply throughout this section:

22 (1) "Allocation area" means that part of a military base
 23 development area to which an allocation provision of a
 24 declaratory resolution adopted under section 16 of this chapter
 25 refers for purposes of distribution and allocation of property
 26 taxes.

27 (2) "Base assessed value" means, subject to subsection (i):

28 (A) the net assessed value of all the property as finally
 29 determined for the assessment date immediately preceding
 30 the adoption date of the allocation provision of the
 31 declaratory resolution, as adjusted under subsection (h);
 32 plus

33 (B) to the extent that it is not included in clause (A) or (C),
 34 the net assessed value of any and all parcels or classes of
 35 parcels identified as part of the base assessed value in the
 36 declaratory resolution or an amendment to the declaratory
 37 resolution, as finally determined for any subsequent
 38 assessment date; plus

39 (C) to the extent that it is not included in clause (A) or (B),
 40 the net assessed value of property that is assessed as
 41 residential property under the rules of the department of
 42 local government finance, within the allocation area, as



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- 1 finally determined for the current assessment date.
- 2 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
- 3 property.
- 4 (b) A declaratory resolution adopted under section 16 of this
- 5 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
- 6 declaratory resolutions adopted under IC 36-7-14-15 may include a
- 7 provision with respect to the allocation and distribution of property
- 8 taxes for the purposes and in the manner provided in this section. A
- 9 declaratory resolution previously adopted may include an allocation
- 10 provision by the amendment of that declaratory resolution in
- 11 accordance with the procedures set forth in section 18 of this chapter.
- 12 The allocation provision may apply to all or part of the military base
- 13 development area. The allocation provision must require that any
- 14 property taxes subsequently levied by or for the benefit of any public
- 15 body entitled to a distribution of property taxes on taxable property in
- 16 the allocation area be allocated 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) The excess of the proceeds of the property taxes imposed for
- 26 the assessment date with respect to which the allocation and
- 27 distribution is made that are attributable to taxes imposed after
- 28 being approved by the voters in a referendum or local public
- 29 question conducted after April 30, 2010, not otherwise included
- 30 in subdivision (1) shall be allocated to and, when collected, paid
- 31 into the funds of the taxing unit for which the referendum or
- 32 local public question was conducted.
- 33 (3) Except as otherwise provided in this section, property tax
- 34 proceeds in excess of those described in subdivisions (1) and (2)
- 35 shall be allocated to the development authority and, when
- 36 collected, paid into an allocation fund for that allocation area
- 37 that may be used by the development authority and only to do
- 38 one (1) or more of the following:
- 39 (A) Pay the principal of and interest and redemption
- 40 premium on any obligations incurred by the development
- 41 authority or any other entity for the purpose of financing or
- 42 refinancing military base development or reuse activities in

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or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.



(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

(H) Expend money and provide financial assistance as authorized in section 15(26) of this chapter.

The allocation fund may not be used for operating expenses of the development authority.

(4) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivisions (2) and (3).

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of the excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the development authority has determined that there is no excess assessed value that may be



1 allocated to the respective taxing units in the manner
2 prescribed in subdivision (1).

3 The county auditors shall allocate to the respective taxing
4 units the amount, if any, of excess assessed value
5 determined by the development authority. The development
6 authority may not authorize a payment to the respective
7 taxing units under this subdivision if to do so would
8 endanger the interest of the holders of bonds described in
9 subdivision (3) or lessors under section 24 of this chapter.
10 Property taxes received by a taxing unit under this
11 subdivision before 2009 are eligible for the property tax
12 replacement credit provided under IC 6-1.1-21 (before its
13 repeal).

14 (c) For the purpose of allocating taxes levied by or for any taxing
15 unit or units, the assessed value of taxable property in a territory in the
16 allocation area that is annexed by a taxing unit after the effective date
17 of the allocation provision of the declaratory resolution is the lesser of:

- 18 (1) the assessed value of the property for the assessment date
19 with respect to which the allocation and distribution is made; or
20 (2) the base assessed value.

21 (d) Property tax proceeds allocable to the military base
22 development district under subsection (b)(3) may, subject to subsection
23 (b)(4), be irrevocably pledged by the military base development district
24 for payment as set forth in subsection (b)(3).

25 (e) Notwithstanding any other law, each assessor shall, upon
26 petition of the development authority, reassess the taxable property
27 situated upon or in or added to the allocation area, effective on the next
28 assessment date after the petition.

29 (f) Notwithstanding any other law, the assessed value of all taxable
30 property in the allocation area, for purposes of tax limitation, property
31 tax replacement, and the making of the budget, tax rate, and tax levy
32 for each political subdivision in which the property is located is the
33 lesser of:

- 34 (1) the assessed value of the property as valued without regard
35 to this section; or
36 (2) the base assessed value.

37 (g) If any part of the allocation area is located in an enterprise zone
38 created under IC 5-28-15, the development authority shall create funds
39 as specified in this subsection. A development authority that has
40 obligations, bonds, or leases payable from allocated tax proceeds under
41 subsection (b)(3) shall establish an allocation fund for the purposes
42 specified in subsection (b)(3) and a special zone fund. The



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development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each reassessment of real property in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(3) than



would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. ~~The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.~~ **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subsection to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the development authority notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(i) If the development authority adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the development authority makes either of the filings required under section 17(e) or 18(f) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the military base development district is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of:

(1) the date on which the documents are filed with the county auditor; or

(2) the date on which the documents are filed with the department of local government finance.

(j) For an allocation area established after June 30, 2024, "residential property" refers to the assessed value of property that is allocated to the one percent (1%) homestead land and improvement categories in the county tax and billing software system, along with the residential assessed value as defined for purposes of calculating the rate for the local income tax property tax relief credit designated for residential property under IC 6-3.6-5-6(d)(3).

SECTION 60. IC 36-7-30.5-30, AS AMENDED BY P.L.68-2025,



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SECTION 238, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2027]: Sec. 30. (a) The following definitions
 apply throughout this section:

(1) "Allocation area" means that part of a military base
 development area to which an allocation provision of a
 declaratory resolution adopted under section 16 of this chapter
 refers for purposes of distribution and allocation of property
 taxes.

(2) "Base assessed value" means, subject to subsection (i):

(A) the net assessed value of all the property as finally
 determined for the assessment date immediately preceding
 the adoption date of the allocation provision of the
 declaratory resolution, as adjusted under subsection (h);
 plus

(B) to the extent that it is not included in clause (A) or (C),
 the net assessed value of any and all parcels or classes of
 parcels identified as part of the base assessed value in the
 declaratory resolution or an amendment to the declaratory
 resolution, as finally determined for any subsequent
 assessment date; plus

(C) to the extent that it is not included in clause (A) or (B),
 the net assessed value of property that is assessed as
 residential property under the rules of the department of
 local government finance, within the allocation area, as
 finally determined for the current assessment date.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 property.

(b) A declaratory resolution adopted under section 16 of this
 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 declaratory resolutions adopted under IC 36-7-14-15 may include a
 provision with respect to the allocation and distribution of property
 taxes for the purposes and in the manner provided in this section. A
 declaratory resolution previously adopted may include an allocation
 provision by the amendment of that declaratory resolution in
 accordance with the procedures set forth in section 18 of this chapter.
 The allocation provision may apply to all or part of the military base
 development area. The allocation provision must require that any
 property taxes subsequently levied by or for the benefit of any public
 body entitled to a distribution of property taxes on taxable property in
 the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of
 the taxes attributable to the lesser of:



- 1 (A) the assessed value of the property for the assessment
 2 date with respect to which the allocation and distribution is
 3 made; or
 4 (B) the base assessed value;
 5 shall be allocated to and, when collected, paid into the funds of
 6 the respective taxing units.
 7 (2) The excess of the proceeds of the property taxes imposed for
 8 the assessment date with respect to which the allocation and
 9 distribution is made that are attributable to taxes imposed after
 10 being approved by the voters in a referendum or local public
 11 question conducted after April 30, 2010, not otherwise included
 12 in subdivision (1) shall be allocated to and, when collected, paid
 13 into the funds of the taxing unit for which the referendum or
 14 local public question was conducted.
 15 (3) Except as otherwise provided in this section, property tax
 16 proceeds in excess of those described in subdivisions (1) and (2)
 17 shall be allocated to the development authority and, when
 18 collected, paid into an allocation fund for that allocation area
 19 that may be used by the development authority and only to do
 20 one (1) or more of the following:
 21 (A) Pay the principal of and interest and redemption
 22 premium on any obligations incurred by the development
 23 authority or any other entity for the purpose of financing or
 24 refinancing military base development or reuse activities in
 25 or directly serving or benefiting that allocation area.
 26 (B) Establish, augment, or restore the debt service reserve
 27 for bonds payable solely or in part from allocated tax
 28 proceeds in that allocation area or from other revenues of
 29 the development authority, including lease rental revenues.
 30 (C) Make payments on leases payable solely or in part from
 31 allocated tax proceeds in that allocation area.
 32 (D) Reimburse any other governmental body for
 33 expenditures made for local public improvements (or
 34 structures) in or directly serving or benefiting that allocation
 35 area.
 36 (E) For property taxes first due and payable before 2009,
 37 pay all or a part of a property tax replacement credit to
 38 taxpayers in an allocation area as determined by the
 39 development authority. This credit equals the amount
 40 determined under the following STEPS for each taxpayer in
 41 a taxing district (as defined in IC 6-1.1-1-20) that contains
 42 all or part of the allocation area:



STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.



- 1 (H) Expend money and provide financial assistance as
 2 authorized in section 15(26) of this chapter.
 3 The allocation fund may not be used for operating expenses of
 4 the development authority.
 5 (4) Except as provided in subsection (g), before July 15 of each
 6 year the development authority shall do the following:
 7 (A) Determine the amount, if any, by which property taxes
 8 payable to the allocation fund in the following year will
 9 exceed the amount of property taxes necessary to make,
 10 when due, principal and interest payments on bonds
 11 described in subdivision (3) plus the amount necessary for
 12 other purposes described in subdivisions (2) and (3).
 13 (B) Provide a written notice to the appropriate county
 14 auditors and the fiscal bodies and other officers who are
 15 authorized to fix budgets, tax rates, and tax levies under
 16 IC 6-1.1-17-5 for each of the other taxing units that is
 17 wholly or partly located within the allocation area. The
 18 notice must:
 19 (i) state the amount, if any, of the excess property taxes
 20 that the development authority has determined may be
 21 paid to the respective taxing units in the manner
 22 prescribed in subdivision (1); or
 23 (ii) state that the development authority has determined
 24 that there is no excess assessed value that may be
 25 allocated to the respective taxing units in the manner
 26 prescribed in subdivision (1).
 27 The county auditors shall allocate to the respective taxing
 28 units the amount, if any, of excess assessed value
 29 determined by the development authority. The development
 30 authority may not authorize a payment to the respective
 31 taxing units under this subdivision if to do so would
 32 endanger the interest of the holders of bonds described in
 33 subdivision (3) or lessors under section 24 of this chapter.
 34 Property taxes received by a taxing unit under this
 35 subdivision before 2009 are eligible for the property tax
 36 replacement credit provided under IC 6-1.1-21 (before its
 37 repeal).
 38 (c) For the purpose of allocating taxes levied by or for any taxing
 39 unit or units, the assessed value of taxable property in a territory in the
 40 allocation area that is annexed by a taxing unit after the effective date
 41 of the allocation provision of the declaratory resolution is the lesser of:
 42 (1) the assessed value of the property for the assessment date



1 with respect to which the allocation and distribution is made; or
 2 (2) the base assessed value.

3 (d) Property tax proceeds allocable to the military base
 4 development district under subsection (b)(3) may, subject to subsection
 5 (b)(4), be irrevocably pledged by the military base development district
 6 for payment as set forth in subsection (b)(3).

7 (e) Notwithstanding any other law, each assessor shall, upon
 8 petition of the development authority, reassess the taxable property
 9 situated upon or in or added to the allocation area, effective on the next
 10 assessment date after the petition.

11 (f) Notwithstanding any other law, the assessed value of all taxable
 12 property in the allocation area, for purposes of tax limitation, property
 13 tax replacement, and the making of the budget, tax rate, and tax levy
 14 for each political subdivision in which the property is located is the
 15 lesser of:

16 (1) the assessed value of the property as valued without regard
 17 to this section; or

18 (2) the base assessed value.

19 (g) If any part of the allocation area is located in an enterprise zone
 20 created under IC 5-28-15, the development authority shall create funds
 21 as specified in this subsection. A development authority that has
 22 obligations, bonds, or leases payable from allocated tax proceeds under
 23 subsection (b)(3) shall establish an allocation fund for the purposes
 24 specified in subsection (b)(3) and a special zone fund. The
 25 development authority shall, until the end of the enterprise zone phase
 26 out period, deposit each year in the special zone fund any amount in the
 27 allocation fund derived from property tax proceeds in excess of those
 28 described in subsection (b)(1) and (b)(2) from property located in the
 29 enterprise zone that exceeds the amount sufficient for the purposes
 30 specified in subsection (b)(3) for the year. The amount sufficient for
 31 purposes specified in subsection (b)(3) for the year shall be determined
 32 based on the pro rata part of such current property tax proceeds from
 33 the part of the enterprise zone that is within the allocation area as
 34 compared to all such current property tax proceeds derived from the
 35 allocation area. A development authority that does not have
 36 obligations, bonds, or leases payable from allocated tax proceeds under
 37 subsection (b)(3) shall establish a special zone fund and deposit all the
 38 property tax proceeds in excess of those described in subsection (b)(1)
 39 and (b)(2) that are derived from property in the enterprise zone in the
 40 fund. The development authority that creates the special zone fund
 41 shall use the fund (based on the recommendations of the urban
 42 enterprise association) for programs in job training, job enrichment,



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1 and basic skill development that are designed to benefit residents and
 2 employers in the enterprise zone or for other purposes specified in
 3 subsection (b)(3), except that where reference is made in subsection
 4 (b)(3) to an allocation area it shall refer for purposes of payments from
 5 the special zone fund only to that part of the allocation area that is also
 6 located in the enterprise zone. The programs shall reserve at least
 7 one-half (1/2) of their enrollment in any session for residents of the
 8 enterprise zone.

9 (h) After each reassessment of real property in an area under a
 10 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
 11 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 12 **by the department of local government finance**, adjust the base
 13 assessed value one (1) time to neutralize any effect of the reassessment
 14 of the real property in the area on the property tax proceeds allocated
 15 to the military base development district under this section. After each
 16 annual adjustment under IC 6-1.1-4-4.5, the ~~department of local~~
 17 ~~government finance~~ **county auditor** shall, **on forms prescribed by the**
 18 **department of local government finance**, adjust the base assessed
 19 value to neutralize any effect of the annual adjustment on the property
 20 tax proceeds allocated to the military base development district under
 21 this section. However, the adjustments under this subsection may not
 22 include the effect of property tax abatements under IC 6-1.1-12.1, and
 23 these adjustments may not produce less property tax proceeds allocable
 24 to the military base development district under subsection (b)(3) than
 25 would otherwise have been received if the reassessment under the
 26 county's reassessment plan or annual adjustment had not occurred. ~~The~~
 27 ~~department of local government finance may prescribe procedures for~~
 28 ~~county and township officials to follow to assist the department in~~
 29 ~~making the adjustments.~~ **The county auditor shall, in the manner**
 30 **prescribed by the department of local government finance, submit**
 31 **the forms required by this subsection to the department of local**
 32 **government finance no later than July 15 of each year. If the**
 33 **county auditor fails to submit the forms by the deadline under this**
 34 **subsection, the county auditor shall allocate five percent (5%) of**
 35 **the assessed value in the allocation area that is used to calculate the**
 36 **allocation and distribution of allocated tax proceeds under this**
 37 **section to the respective taxing units. However, if the development**
 38 **authority notifies the county auditor and the department of local**
 39 **government finance, no later than July 15, that it is unable to meet**
 40 **its debt service obligations with regard to the allocation area**
 41 **without all or part of the allocated tax proceeds attributed to the**
 42 **assessed value that has been allocated to the respective taxing**



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1 **units, then the county auditor may not allocate five percent (5%)**
 2 **of the assessed value in the allocation area that is used to calculate**
 3 **the allocation and distribution of allocated tax proceeds under this**
 4 **section to the respective taxing units.**

5 (i) If the development authority adopts a declaratory resolution or
 6 an amendment to a declaratory resolution that contains an allocation
 7 provision and the development authority makes either of the filings
 8 required under section 17(e) or 18(f) of this chapter after the first
 9 anniversary of the effective date of the allocation provision, the auditor
 10 of the county in which the military base development district is located
 11 shall 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 of local government finance.

17 (j) For an allocation area established after June 30, 2024,
 18 "residential property" refers to the assessed value of property that is
 19 allocated to the one percent (1%) homestead land and improvement
 20 categories in the county tax and billing software system, along with the
 21 residential assessed value as defined for purposes of calculating the
 22 rate for the local income tax property tax relief credit designated for
 23 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

24 SECTION 61. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,
 25 SECTION 349, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) The state board of accounts
 27 and department of local government finance shall make the rules and
 28 prescribe the forms and procedures that the state board of accounts and
 29 department of local government finance consider appropriate for the
 30 implementation of an allocation area under this chapter.

31 (b) After each reassessment of real property in an area 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 of the real property in the area on the property tax proceeds allocated
 37 to the certified technology park fund under section 17 of this chapter.
 38 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
 39 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 40 **by the department of local government finance**, adjust the base
 41 assessed value to neutralize any effect of the annual adjustment on the
 42 property tax proceeds allocated to the certified technology park fund



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under section 17 of this chapter.

(c) **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this section to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the certified technology park notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

SECTION 62. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) The state board of accounts, the department of state revenue, and the department of local government finance may adopt rules under IC 4-22-2 and prescribe the forms and procedures that the state board of accounts, the department of state revenue, and the department of local government finance consider appropriate for the implementation of an innovation development district under this chapter. However, before adopting rules under this section, the state board of accounts, the department of state revenue, and the department of local government finance shall submit a report to the budget committee that:

(1) describes the rules proposed by the state board of accounts, the department of state revenue, and the department of local government finance; and

(2) recommends statutory changes necessary to implement the provisions of this chapter.

(b) After each reassessment of real property in an area under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of local government finance~~ **county auditor shall, on forms prescribed by the department of local government finance,** adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax



proceeds allocated to the local innovation development district fund established by section 19 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of local government finance~~ county auditor shall, on forms prescribed by the department of local government finance, adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the local innovation development district fund established by section 19 of this chapter.

(d) The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this section to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subsection, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the district notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.

SECTION 63. IC 36-7-42.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 42.5. Tourism Improvement Districts

Sec. 1. This chapter applies to all units except townships.

Sec. 2. As used in this chapter, "activities" means any programs or services that promote business activity or tourism activity and are provided to confer specific benefits upon the businesses that are located in the tourism improvement district.

Sec. 3. As used in this chapter, "district" means a tourism improvement district established by an ordinance adopted under section 13 of this chapter.

Sec. 4. As used in this chapter, "district management association" means a private nonprofit entity designated in the district plan that enters into a contract with a unit to administer



1 and implement the district's activities and improvements.

2 Sec. 5. As used in this chapter, "district plan" means a
 3 proposal for a district that contains the information described in
 4 section 9(c) of this chapter.

5 Sec. 6. As used in this chapter, "improvements" means the
 6 acquisition, construction, installation, or maintenance of any
 7 tangible property in the district with an estimated useful life of five
 8 (5) years or more.

9 Sec. 7. As used in this chapter, "legislative body" has the
 10 meaning set forth in IC 36-1-2-9.

11 Sec. 8. As used in this chapter, "owner" refers to any person
 12 recognized by the unit as the owner of a business within the
 13 district, without regard to whether the person is the owner of the
 14 real property on which the business is located.

15 Sec. 9. (a) A person that intends to file a petition for the
 16 establishment of a district under this section must first provide
 17 written notice to the clerk (as defined in IC 36-1-2-4) in the case of
 18 a municipality, or the county auditor in the case of a county, of the
 19 person's intent before initiating the petition process.

20 (b) A petition for the establishment of a district may be filed
 21 with the clerk of the municipality or the county auditor not later
 22 than one hundred twenty (120) days after the date on which the
 23 notice of intent for the petition is filed with the clerk of the
 24 municipality or the county auditor under subsection (a). The
 25 petition shall include the name and legal status of the filing party
 26 and the district plan.

27 (c) The district plan shall include at least the following:

28 (1) The name of the proposed district.

29 (2) Subject to section 9.5 of this chapter, a map of the
 30 proposed district, including a description of the boundaries
 31 of the district in a manner sufficient to identify the
 32 businesses included.

33 (3) The proposed source or sources of financing, including:

34 (A) the proposed method and basis of levying the special
 35 assessment in sufficient detail to allow each owner to
 36 calculate the amount of the special assessment that may
 37 be levied against the owner's business; and

38 (B) whether the district may issue bonds to finance
 39 improvements.

40 (4) A list of the businesses to be assessed and a statement of
 41 the manner in which the expenses of a district using a
 42 method allowed under section 11 of this chapter will be



imposed upon a benefited business in proportion to the benefit received by the business, including costs for operation and maintenance.

(5) For purposes of imposing the special assessment and determining the benefits of the district's activities and improvements, a classification of the types of businesses within the proposed district. The classification may include the following variations in the assessment formula:

(A) Square footage of the business.

(B) Number of employees.

(C) Geography.

(D) Gross sales.

(E) Other similar factors that reasonably relate to the benefit received.

(6) An estimate of the amount of revenue needed to accomplish or pay for the district's proposed activities and improvements.

(7) Subject to section 9.5 of this chapter, a statement identifying the district management association, including the district management association's board of directors and governance structure and any proposed rules or regulations that may be applicable to the district.

(8) A statement indicating where a complete copy of the district plan, whether in hard copy or electronic form, may be obtained or accessed.

(9) Any other item or matter required to be incorporated in the district plan by the unit's legislative body. The legislative body may require in the district plan that the boundaries of the district be drawn to:

(A) exclude businesses; or

(B) prevent overlap of the district with another district or area in which a special assessment is imposed.

Sec. 9.5. Owners of the following property may not be included within the territory of a district and the owners of such property shall not be considered in determining whether the petition signature requirements under section 13 of this chapter are met:

(1) Any property that receives a homestead standard deduction under IC 6-1.1-12-37.

(2) Any property that is used for single family residential housing.

(3) Any property that is used for multi-unit residential housing.



In addition, the property described in this section shall not be subject to a special assessment under this chapter.

Sec. 10. Subject to section 9.5 of this chapter, the territory of a tourism improvement district:

(1) in the case of a municipality, may include only territory within the municipality; or

(2) in the case of a county, may include only territory of the county that is not within any municipality in the county.

Sec. 11. (a) A special assessment on businesses located within the district shall be levied on the basis of the estimated benefit to the businesses within the district. The unit's legislative body may use the classification of the types of businesses described in section 9(c)(5) of this chapter in determining the benefit to a business provided by the district.

(b) The special assessment that may be levied on businesses located within the district may take any form that confers benefits to the assessed business and may include any combination of the following methods:

(1) A percentage rate per transaction at a business within the district.

(2) A fixed rate per transaction per day at a business within the district.

(3) A percentage of gross sales at a business within the district.

(c) The special assessment may be levied on different types of businesses located within the district and is not required to be levied on the same basis or at the same rate.

Sec. 12. (a) After receipt of a petition under section 9 of this chapter, the clerk of the municipality or the county auditor shall, in the manner provided by IC 5-3-1, publish notice of a hearing on the proposed district. The clerk of the municipality or the county auditor shall mail a copy of the notice to each owner within the proposed district. The notice must include the boundaries of the proposed district, a description of the proposed activities and improvements, the proposed formula for determining the percentage of the total benefit to be received by each business, the method of determining the benefit received by each business, and the hearing date. The date of the hearing may not be more than sixty (60) days after the date on which the notice is mailed.

(b) At the public hearing under subsection (a), the legislative body shall hear all owners in the proposed district (who appear and request to be heard) upon the questions of:



- (1) the sufficiency of the notice;
 - (2) whether the proposed activities and improvements are of public utility and benefit;
 - (3) whether the formula or method to be used for the assessment of special benefits is appropriate;
 - (4) whether the district contains all, or more or less than all, of the territory specially benefited by the activities and improvements; and
 - (5) whether each individual business owner:
 - (A) that did not sign to approve the petition; and
 - (B) would be subject to the assessment of the district that has otherwise reached the approval threshold;
- wishes to make a request for exclusion from the district, to be approved or denied by the legislative body before the final passage of the ordinance establishing the district.

Sec. 13. (a) After conducting a hearing on the proposed district, the legislative body may adopt an ordinance establishing the district if it determines that:

- (1) the petition meets the requirements of this section and sections 9 through 11 of this chapter;
- (2) the activities and improvements to be undertaken in the district will provide special benefits to businesses in the district and will be of public utility and benefit;
- (3) the benefits provided by the activities and improvements will be new benefits that do not replace benefits existing before the establishment of the district; and
- (4) the formula or method to be used for the assessment of special benefits is appropriate.

(b) The legislative body may adopt the ordinance only if it determines that the petition has been signed by:

- (1) at least fifty percent (50%) of the owners of businesses within the proposed district; and
- (2) the owners of businesses within the proposed district that constitute more than fifty percent (50%) of the revenue to be collected from the special assessments.

(c) The ordinance shall:

- (1) incorporate the information set forth in the district plan;
- (2) specify the time and manner in which special assessments levied under this chapter are to be collected and paid to the unit's fiscal officer for deposit in the tourism improvement fund established under section 14 of this chapter; and
- (3) include any other content that the legislative body



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determines is reasonable as it relates to the operation of the district.

For purposes of subdivision (2), the collection of special assessments under this chapter may occur at the same time and in the same manner as for an innkeeper's tax under IC 6-9, including the application of any enforcement mechanisms and interest and penalty attributable to innkeeper's taxes under IC 6-9-29.

(d) The adoption of an ordinance establishing a district does not affect and may not be construed to authorize any decrease in the level of publicly funded tourism promotion services that existed before the district's establishment.

Sec. 14. (a) The unit's fiscal officer shall establish a special fund, known as the tourism improvement fund, and shall deposit in the tourism improvement fund all special assessments received under this chapter and any other amounts received by the fiscal officer.

(b) The unit's fiscal officer may transfer money in the tourism improvement fund to the district management association to be used only for the purposes specified in the ordinance establishing the district. Any bonds issued under this chapter are payable solely from special assessments deposited in the tourism improvement fund and other revenues of the district.

(c) Any money earned from investment of money in the tourism improvement fund becomes a part of the tourism improvement fund.

Sec. 15. (a) The unit shall contract with the district management association designated in the district plan to administer and implement the district's activities and improvements.

(b) The district management association may be either an existing nonprofit corporation or a newly formed nonprofit corporation. If the district management association is a new nonprofit corporation created to manage the district, the certificate of incorporation or bylaws of the district management association shall provide for voting representation of owners within the district. If the district management association is an existing nonprofit corporation, the existing nonprofit corporation may create a committee of district owners or owners' representatives.

(c) The district management association may make recommendations to the unit's legislative body with respect to any matter involving or relating to the district.

(d) The unit's legislative body, for any consideration that it



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1 considers appropriate, may license or grant to the district
 2 management association the right to undertake or permit
 3 commercial activities or other private uses of the streets or other
 4 parts of the district in which the unit has any real property
 5 interest.

6 Sec. 16. (a) A district may issue bonds to provide
 7 improvements. The term of any bonds issued may not exceed ten
 8 (10) years. If a district is renewed under section 17 of this chapter,
 9 the term of any bonds issued may not exceed ten (10) years from
 10 the date of renewal.

11 (b) Bonds issued under this chapter do not constitute an
 12 indebtedness of the unit within the meaning of a constitutional or
 13 statutory debt limitation.

14 Sec. 17. (a) The initial term for a district shall be at least three
 15 (3) years and not more than ten (10) years.

16 (b) A district may be renewed for one (1) additional period of
 17 not more than ten (10) years by following the procedures for the
 18 initial establishment of a district as set forth in sections 9 through
 19 13 of this chapter.

20 (c) If a district is renewed, any remaining revenues derived
 21 from the levy of a special assessment, or any revenues derived from
 22 the sale of assets acquired with the revenues, shall be transferred
 23 to the renewed district. The following apply to the transfer of any
 24 remaining revenues of a renewed district:

25 (1) If the renewed district includes a business not included in
 26 the prior district, the remaining revenues shall be spent to
 27 benefit only the business in the prior district.

28 (2) If the renewed district does not include a business
 29 included in the prior district, the remaining revenues
 30 attributable to the parcel shall be refunded to the owners of
 31 the business by applying the method the district used under
 32 section 11 of this chapter to calculate the special assessment
 33 before the renewal.

34 (d) The boundaries, special assessments, improvements, or
 35 activities of a renewed district are not required to be the same as
 36 the original or prior district.

37 Sec. 18. An ordinance adopted under section 13 of this chapter
 38 may be amended if notice of the proposed amendment is published
 39 and mailed in the manner provided by section 12 of this chapter.
 40 However, if an amendment proposes to:

41 (1) levy a new or increased special assessment;

42 (2) change the district's boundaries; or



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1 (3) issue a new bond;
 2 the unit's legislative body shall require compliance with the
 3 procedures set forth in sections 9 through 13 of this chapter before
 4 amending the ordinance.

5 Sec. 19. (a) During the operation of the district, there shall be
 6 a thirty (30) day period, beginning one (1) year after the date of the
 7 district's establishment and in each year thereafter, in which the
 8 owners may request dissolution of the district in accordance with
 9 this section.

10 (b) After a public hearing before the unit's legislative body, the
 11 legislative body may dissolve a district by ordinance in either of the
 12 following circumstances:

13 (1) If the legislative body finds there has been
 14 misappropriation of funds, malfeasance, or a violation of law
 15 in connection with the management of the district.

16 (2) At any time during the annual thirty (30) day period
 17 described in subsection (a).

18 (c) Upon the written petitions of the owners or authorized
 19 representatives of businesses in the district that pay fifty percent
 20 (50%) or more of the special assessments levied, the unit's
 21 legislative body shall pass a resolution of intention to dissolve the
 22 district.

23 (d) The unit's legislative body shall first adopt a resolution of
 24 intention to dissolve the district before the public hearing to
 25 dissolve a district under this section. The resolution of intention
 26 must include each of the following items:

27 (1) The reason for the dissolution.

28 (2) The time and place of the public hearing.

29 (3) A proposal to dispose of any assets acquired with the
 30 revenues of the special assessments levied within the district.

31 The notice of the hearing on the resolution of intent to dissolve the
 32 district shall be published in the manner provided by IC 5-3-1 and
 33 must also be given by mail to the owner of each business subject to
 34 a special assessment in the district. The legislative body shall
 35 conduct the public hearing on the resolution of intention to dissolve
 36 the district not later than thirty (30) days after the date the notice
 37 is mailed to the assessed owners.

38 (e) The public hearing to dissolve the district shall be held not
 39 more than sixty (60) days after the date of the adoption of the
 40 resolution of intention.

41 (f) A dissolution of a district under this section has the effect
 42 of repealing the ordinance adopted under section 13 of this chapter



1 that established the district.

2 Sec. 20. (a) The district management association shall submit
 3 an annual report to the legislative body and the fiscal body before
 4 January 1 of each year, beginning in the year after the first year of
 5 the district's establishment.

6 (b) The report shall contain the following information:

7 (1) The use of revenue collected from special assessments
 8 levied under this chapter for that year.

9 (2) The activities and improvements to be provided for the
 10 ensuing year and an estimate of the cost of providing the
 11 activities and improvements for the ensuing year.

12 (3) The estimated amount of any surplus or deficit revenues
 13 to be carried over from the prior year.

14 Sec. 21. (a) Upon the dissolution or expiration without renewal
 15 of a district, any remaining revenues, after all outstanding debts
 16 are paid, derived from the:

17 (1) levy of special assessments; or

18 (2) sale of assets acquired with the revenues of the district or
 19 from bond reserve funds or construction funds;

20 shall be refunded to the owners located within the district on or
 21 before the date of the district's dissolution or expiration without
 22 renewal.

23 (b) The amount of the refund provided under subsection (a) to
 24 an owner shall be determined by applying the method the district
 25 used under section 11 of this chapter to calculate the special
 26 assessment in the year:

27 (1) in which the district was dissolved or allowed to expire
 28 without renewal; or

29 (2) before the district was dissolved or allowed to expire
 30 without renewal if a special assessment had not been levied.

31 However, in lieu of providing a refund, the unit's legislative body
 32 may instead elect to spend any remaining revenues on activities
 33 and improvements specified in the ordinance that established the
 34 district before its dissolution or expiration without renewal.

35 (c) Any liabilities incurred by the district are not an obligation
 36 of the unit and are payable solely from the collection of special
 37 assessments deposited in the special fund under section 14 of this
 38 chapter and other revenues of the district.

39 Sec. 22. Notwithstanding any other provision of this chapter,
 40 special assessments levied to pay the principal and interest on any
 41 bonds issued under this chapter may not be reduced or terminated
 42 if doing so would interfere with the timely retirement of the debt.



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SECTION 64. IC 36-7.5-4.5-18, AS AMENDED BY P.L.236-2023, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is established, the following apply to the administration and use of incremental property tax revenue by the development authority, or a redevelopment commission in the case of a district located in a cash participant county, in the district:

(1) The ~~department of local government finance~~ **county auditor** shall, **on forms prescribed by the department of local government finance**, adjust the base assessed value to neutralize any effect of a reassessment and the annual adjustment of the real property in the district in the same manner as provided in IC 36-7-14-39(h). **The county auditor shall, in the manner prescribed by the department of local government finance, submit the forms required by this subdivision to the department of local government finance no later than July 15 of each year. If the county auditor fails to submit the forms by the deadline under this subdivision, the county auditor shall allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units. However, if the district notifies the county auditor and the department of local government finance, no later than July 15, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area that is used to calculate the allocation and distribution of allocated tax proceeds under this section to the respective taxing units.**

(2) Proceeds of the property taxes approved by the voters in a referendum or local public question shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted in the same manner as provided in IC 36-7-14-39(b)(3).

(3) Incremental property tax revenue may be used only for one (1) or more of the following purposes for a district:

(A) To finance the improvement, construction, reconstruction, renovation, and acquisition of real and personal property improvements within a district.



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(B) To pay the principal of and interest on any obligations that are incurred for the purpose of financing or refinancing development in the district, including local public improvements that are physically located in or physically connected to the district.

(C) To establish, augment, or restore the debt service reserve for bonds payable solely or in part from incremental property tax revenue from the district.

(D) To pay premiums on the redemption before maturity of bonds payable solely or in part from incremental property tax revenue from the district.

(E) To make payments on leases payable from incremental property tax revenue from the district.

(F) To reimburse a municipality in which a district is located for expenditures made by the municipality for local public improvements that are physically located in or physically connected to the district.

(G) To reimburse a municipality for rentals paid by the municipality for a building or parking facility that is physically located in or physically connected to the district under any lease entered into under IC 36-1-10.

(H) To pay expenses incurred by the development authority for local public improvements that are in the district or serving the district.

SECTION 6~~4~~⁵. IC 36-8-19-8.5, AS AMENDED BY P.L.255-2017, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of each participating unit must adopt an ordinance (in the case of a county or municipality) or a resolution (in the case of a township or fire protection district), and the following requirements must be met:

(1) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other participating units under this section.

(2) Before adopting the ordinance or resolution, each participating unit must comply with the notice and hearing requirements of IC 6-1.1-41-3.

(3) The ordinance or resolution authorizes the provider unit to establish the fund.



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- (4) The ordinance or resolution includes at least the following:
- (A) The name of each participating unit and the provider unit.
 - (B) An agreement to impose a uniform tax rate upon all of the taxable property within the territory for the equipment replacement fund.
 - (C) The contents of the agreement to establish the fund.

An ordinance or a resolution adopted under this section takes effect as provided in IC 6-1.1-41.

- (b) If a fund is established, the participating units may agree to:
- (1) impose a property tax to provide for the accumulation of money in the fund to purchase fire protection equipment;
 - (2) incur debt to purchase fire protection equipment and impose a property tax to retire the loan; or
 - (3) transfer an amount from the fire protection territory fund to the fire equipment replacement fund not to exceed five percent (5%) of the levy for the fire protection territory fund for that year;

or any combination of these options.

(c) The property tax rate for the levy imposed under this section is **considered part of the maximum permissible ad valorem property tax levy** and may not exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed value. Before debt may be incurred, the fiscal body of a participating unit must adopt an ordinance (in the case of a county or municipality) or a resolution (in the case of a township or fire protection district) that specifies the amount and purpose of the debt. The ordinance or resolution must be identical to the other ordinances and resolutions adopted by the participating units. Except as provided in subsection (d), if debt is to be incurred for the purposes of a fund, the provider unit shall negotiate for and hold the debt on behalf of the territory. However, the participating units and the provider unit of the territory are jointly liable for any debt incurred by the provider unit for the purposes of the fund. The most recent adjusted value of taxable property for the entire territory must be used to determine the debt limit under IC 36-1-15-6. A provider unit shall comply with all general statutes and rules relating to the incurrence of debt under this subsection.

(d) A participating unit of a territory may, to the extent allowed by law, incur debt in the participating unit's own name to acquire fire protection equipment or other property that is to be owned by the participating unit. A participating unit that acquires fire protection equipment or other property under this subsection may afterward enter



into an interlocal agreement under IC 36-1-7 with the provider unit to furnish the fire protection equipment or other property to the provider unit for the provider unit's use or benefit in accomplishing the purposes of the territory. A participating unit shall comply with all general statutes and rules relating to the incurrence of debt under this subsection.

(e) Money in the fund may be used by the provider unit only for those purposes set forth in the agreement among the participating units that permits the establishment of the fund.

(f) The requirements and procedures specified in IC 6-1.1-41 concerning the establishment or reestablishment of a cumulative fund, the imposing of a property tax for a cumulative fund, and the increasing of a property tax rate for a cumulative fund apply to:

- (1) the establishment or reestablishment of a fund under this section;
- (2) the imposing of a property tax for a fund under this section; and
- (3) the increasing of a property tax rate for a fund under this section.

(g) Notwithstanding IC 6-1.1-18-12, if a fund established under this section is reestablished in the manner provided in IC 6-1.1-41, the property tax rate imposed for the fund in the first year after the fund is reestablished may not exceed three and thirty-three hundredths cents (\$0.0333) per one hundred dollars (\$100) of assessed value.

SECTION 6-6-6. [EFFECTIVE JANUARY 1, 2024 (RETROACTIVE)] **(a) This SECTION applies notwithstanding IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or provision.**

(b) This SECTION applies to assessment dates after December 31, 2023, and before January 1, 2026.

(c) As used in this SECTION, "eligible property" means any real property:

- (1) that is owned, occupied, and used by a taxpayer that:**
 - (A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; and**
 - (B) has a mission focused on preserving Indiana landmarks;**
- (2) that is used for one (1) or more of the purposes described in IC 6-1.1-10-16;**
- (3) that is a parcel that:**
 - (A) was transferred to the taxpayer before January 1, 2024; and**



- 1 (B) is located in Vanderburgh County;
 2 (4) on which property taxes were imposed for the 2024 and
 3 2025 assessment dates; and
 4 (5) that would have been eligible for an exemption under
 5 IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an
 6 exemption application had been properly and timely filed
 7 under IC 6-1.1 for the property.
 8 (d) Before September 1, 2026, the owner of eligible property
 9 may file a property tax exemption application and supporting
 10 documents claiming a property tax exemption under this
 11 SECTION for the eligible property for the 2024 and 2025
 12 assessment dates.
 13 (e) A property tax exemption application filed as provided in
 14 subsection (d) is considered to have been properly and timely filed
 15 for each assessment date.
 16 (f) The following apply if the owner of eligible property files a
 17 property tax exemption application as provided in subsection (d):
 18 (1) The property tax exemption for the eligible property shall
 19 be allowed and granted for the applicable assessment date by
 20 the county assessor and county auditor of the county in
 21 which the eligible property is located.
 22 (2) The owner of the eligible property is not required to pay
 23 any property taxes, penalties, or interest with respect to the
 24 eligible property for the applicable assessment date.
 25 (g) The exemption allowed by this SECTION shall be applied
 26 without the need for any further ruling or action by the county
 27 assessor, the county auditor, or the county property tax assessment
 28 board of appeals of the county in which the eligible property is
 29 located or by the Indiana board of tax review.
 30 (h) To the extent the owner of the eligible property has paid
 31 any property taxes, penalties, or interest with respect to the eligible
 32 property for an applicable date and to the extent that the eligible
 33 property is exempt from taxation as provided in this SECTION,
 34 the owner of the eligible property is entitled to a refund of the
 35 amounts paid. The owner is not entitled to any interest on the
 36 refund under IC 6-1.1 or any other law to the extent interest has
 37 not been paid by or on behalf of the owner. Notwithstanding the
 38 filing deadlines for a claim under IC 6-1.1-26, any claim for a
 39 refund filed by the owner of eligible property under this SECTION
 40 before September 1, 2026, is considered timely filed. The county
 41 auditor shall pay the refund due under this SECTION in one (1)
 42 installment.



(i) This SECTION expires June 30, 2027.

SECTION ~~6-6~~[7]. [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to assessment dates occurring after December 31, 2025, for property taxes first due and payable in 2027.

(b) This SECTION expires July 1, 2030.

SECTION ~~6-8~~[8]. [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)] (a) The amendments made by this act to:

- (1) IC 6-1.1-12.6-2;
- (2) IC 6-1.1-12.6-4;
- (3) IC 6-1.1-12.6-8;
- (4) IC 6-1.1-12.8-3;
- (5) IC 6-1.1-12.8-4;
- (6) IC 6-1.1-12.8-9; and
- (7) IC 6-1.1-12.8-10;

apply to assessment dates occurring after December 31, 2025.

(b) This SECTION expires January 1, 2028.

SECTION ~~6-8~~[9]. [EFFECTIVE UPON PASSAGE] (a) IC 6-3.6-6-3 was amended by P.L.137-2024, SECTION 9, effective July 1, 2024, until July 1, 2027, and by P.L.68-2025, SECTION 124, effective July 1, 2027. The general assembly recognizes that this act amends, effective July 1, 2026, the version of IC 6-3.6-6-3 amended by P.L.137-2024, SECTION 9. The general assembly intends for the version of IC 6-3.6-6-3:

- (1) as amended by this act, to expire July 1, 2027; and
- (2) as amended by P.L.68-2025, SECTION 124, to take effect July 1, 2027.

(b) This SECTION expires December 31, 2027.

SECTION ~~6-9~~[70]. An emergency is declared for this act. [

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