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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.

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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

2026

IN 1210—LS 6805/DI 134



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2026]: **Sec. 19. (a) This section applies to a contract between a
3 municipal entity and a municipal adviser entered into, renewed, or
4 amended after June 30, 2026.**

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

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

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

13 **(B) budgeting and long term financial planning; or**

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

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

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

21 **(1) a county;**

22 **(2) a township;**

23 **(3) a city;**

24 **(4) a town;**

25 **(5) a school corporation;**

26 **(6) a special taxing district;**

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

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

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

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

38 **(f) As used in this section, "solicitation of a municipal entity or
39 obligated person" has the meaning set forth in 15 U.S.C.
40 78o-4(e)(9).**

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



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

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

11 SECTION 2. IC 5-14-3.8-3, AS AMENDED BY P.L.1-2025,
12 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 3. The department, ~~working with the office of~~
14 ~~technology established by IC 4-13-1-2-1, or another organization that~~
15 ~~is part of a state educational institution;~~ the office of management and
16 budget established by IC 4-3-22-3, and the state board of accounts
17 established by IC 5-11-1-1 shall post on the Indiana transparency
18 website the following:

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

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



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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



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1 JANUARY 1, 2026 (RETROACTIVE)]; Sec. 17. (a) On or before June
2 1 of each year, each township assessor (if any) of a county shall deliver
3 to the county assessor a list which states by taxing district the total of
4 the personal property assessments as shown on the personal property
5 returns filed with the township assessor on or before the filing date of
6 that year and in a county with a township assessor under IC 36-6-5-1
7 in every township the township assessor shall deliver the lists to the
8 county auditor as prescribed in subsection (b).

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

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

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

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

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

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- 1 of this chapter for the property becomes effective.
- 2 (c) The rules adopted under subsection (a) must include the
- 3 following characteristics in the system:
- 4 (1) Promote uniform and equal assessment of real property
- 5 within and across classifications.
- 6 (2) Require that assessing officials:
- 7 (A) reevaluate the factors that affect value;
- 8 (B) express the interactions of those factors mathematically;
- 9 (C) use mass appraisal techniques to estimate updated
- 10 property values within statistical measures of accuracy; and
- 11 (D) provide notice to taxpayers of an assessment increase
- 12 that results from the application of annual adjustments.
- 13 (3) Prescribe procedures that permit the application of the
- 14 adjustment percentages in an efficient manner by assessing
- 15 officials.
- 16 (d) The department of local government finance must review and
- 17 certify each annual adjustment determined under this section.
- 18 (e) For an assessment beginning after December 31, 2022,
- 19 agricultural improvements such as but not limited to barns, grain bins,
- 20 or silos on land assessed as agricultural shall not be adjusted using
- 21 factors, such as neighborhood delineation, that are appropriate for use
- 22 in adjusting residential, commercial, and industrial real property. Those
- 23 portions of agricultural parcels that include land and buildings not used
- 24 for an agricultural purpose, such as homes, homesites, and excess
- 25 residential land and commercial or industrial land and buildings, shall
- 26 be adjusted by the factor or factors developed for other similar property
- 27 within the geographic stratification. The residential portion of
- 28 agricultural properties shall be adjusted by the factors applied to
- 29 similar residential purposes.
- 30 (f) In making the annual determination of the base rate to satisfy
- 31 the requirement for an annual adjustment for each assessment date, the
- 32 department of local government finance shall, not later than March 1
- 33 of each year, determine the base rate using the methodology reflected
- 34 in Table 2-18 of Book 1, Chapter 2 of the department of local
- 35 government finance's Real Property Assessment Guidelines (as in
- 36 effect on January 1, 2005), except that the department shall adjust the
- 37 methodology as follows:
- 38 (1) Use a six (6) year rolling average adjusted under subdivision
- 39 (3) instead of a four (4) year rolling average.
- 40 (2) Use the data from the six (6) most recent years preceding the
- 41 year in which the assessment date occurs for which data is
- 42 available, before one (1) of those six (6) years is eliminated

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1 under subdivision (3) when determining the rolling average.

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

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

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

13 (i) for purposes of determining the preliminary base
14 rate for the January 1, 2025, ~~and the~~ January 1, 2026,
15 **and January 1, 2027**, assessment dates, nine percent
16 (9%); and

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

21 shall be used to determine the final base rate.

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

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

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

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

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

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



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

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

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

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

19 (b) The county assessor shall:

20 (1) maintain an electronic data file of:

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

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

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

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

29 (A) the legislative services agency; and

30 (B) the department of local government finance;

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

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

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

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

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

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

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

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

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

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

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

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

31 (2) May 1 in each calendar year ending after December 31,
32 2016;

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

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

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

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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

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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**



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Communities

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

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

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

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

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

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

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

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

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1 the United States Department of Veterans Affairs if the
 2 individual claims the deduction provided by section 14 of this
 3 chapter; or
 4 (3) the appropriate certificate of eligibility issued to the
 5 individual by the Indiana department of veterans' affairs if the
 6 individual claims the deduction provided by section 13 or 14 of
 7 this chapter.

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

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

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

- 28 (1) "Dwelling" means any of the following:
 29 (A) Residential real property improvements that an
 30 individual uses as the individual's residence, limited to a
 31 single house and a single garage, regardless of whether the
 32 single garage is attached to the single house or detached
 33 from the single house.
 34 (B) A mobile home that is not assessed as real property that
 35 an individual uses as the individual's residence.
 36 (C) A manufactured home that is not assessed as real
 37 property that an individual uses as the individual's
 38 residence.
 39 (2) "Homestead" means an individual's principal place of
 40 residence:
 41 (A) that is located in Indiana;
 42 (B) that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

39 (m) If:

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



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

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

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

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

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

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

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

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

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

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

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

33 (1) a partially completed structure; or

34 (2) a fully completed structure;

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

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

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



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

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

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

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

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

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

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

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

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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

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

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

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

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

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

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

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

33 SECTION 23. IC 6-1.1-18-28 IS REPEALED [EFFECTIVE JULY
34 1, 2026]. Sec. 28: (a) The executive of a township may, upon approval
35 by the township fiscal body, submit a petition to the department of local
36 government finance for an increase in the township's maximum
37 permissible ad valorem property tax levy for its township firefighting
38 and emergency services fund under IC 36-8-13-4(a)(1) or the levies for
39 the township firefighting fund and township emergency services fund
40 described in IC 36-8-13-4(a)(2), as applicable, for property taxes for
41 any year for which a petition is submitted under this section:

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

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

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

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

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

22 expressed as a decimal.

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

- 24 (A) fifteen-hundredths (0.15); or
- 25 (B) the STEP TWO result.

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

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

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

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- 1 described in IC 36-8-13-4(a)(2); as applicable, without regard to
- 2 this section; plus
- 3 (2) an amount equal to the result of:
- 4 (A) the rate determined under the formula in subsection (b);
- 5 multiplied by
- 6 (B) the net assessed value of the fire protection and
- 7 emergency services area divided by one hundred (100):

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

12 SECTION 24. IC 6-1.1-18-29 IS REPEALED [EFFECTIVE JULY
 13 1, 2026]. Sec. 29: (a) The board of trustees of a fire protection district
 14 may, upon approval by the county legislative body, submit a petition to
 15 the department of local government finance for an increase in the fire
 16 protection district's maximum permissible ad valorem property tax levy
 17 for property taxes first due and payable in 2021 or for any year
 18 thereafter for which a petition is submitted under this section.

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

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

34 STEP TWO: Determine the greater of zero (0) or the result of:
 35 (A) the STEP ONE percentage; minus
 36 (B) six percent (6%);

37 expressed as a decimal.

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

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

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

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

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

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

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

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

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

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

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

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

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1 STEP TWO: Determine the greater of zero (0) or the result of:
 2 (A) the STEP ONE percentage; minus
 3 (B) six percent (6%);
 4 expressed as a decimal.
 5 STEP THREE: Determine a rate that is the lesser of:
 6 (A) fifteen-hundredths (0.15); or
 7 (B) the STEP TWO result.
 8 STEP FOUR: Reduce the STEP THREE rate by any rate
 9 increase in the fire protection territory's property tax rate for its
 10 fire protection territory fund within the immediately preceding
 11 ten (10) year period that was made based on a petition submitted
 12 by the fire protection territory under this section:

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

- 17 (1) the amount of the ad valorem property tax levy increase for
- 18 the fire protection territory fund without regard to this section;
- 19 plus
- 20 (2) an amount equal to the result of:
- 21 (A) the rate determined under the formula in subsection (b);
- 22 multiplied by
- 23 (B) the net assessed value of the fire protection territory
- 24 area divided by one hundred (100):

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

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

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

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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,



1 liability for the tax imposed on property under this article
2 determined after application of all credits and deductions under
3 this article or IC 6-3.6, except the credit granted by section 7 or
4 7.5 of this chapter, but does not include any interest or penalty
5 imposed under this article;

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

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

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

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

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

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

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

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

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

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

42 of a political subdivision payable from ad valorem property

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1 taxes.

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

3 (A) Property taxes that are exempted from the application

4 of a credit granted under section 7 or 7.5 of this chapter by

5 section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another

6 law.

7 (B) Property taxes imposed by a political subdivision to pay

8 for debt service obligations of a political subdivision that

9 are not exempted from the application of a credit granted

10 under section 7 or 7.5 of this chapter by section 7(b), 7(c),

11 7.5(b), or 7.5(c) of this chapter or any other law. Property

12 taxes described in this clause are subject to the credit

13 granted under section 7 or 7.5 of this chapter by section

14 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter regardless of their

15 designation as protected taxes.

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

17 protected taxes.

18 (c) Except as provided in section 9.9 of this chapter, the total

19 amount of revenue to be distributed to the fund for which the protected

20 taxes were imposed shall be determined as if no credit were granted

21 under section 7, ~~or 7.5~~, **or 7.7** of this chapter **or under IC 6-1.1-49**.

22 The total amount of the loss in revenue resulting from the granting of

23 credits under section 7, ~~or 7.5~~, **or 7.7** of this chapter **or under**

24 **IC 6-1.1-49** must reduce only the amount of unprotected taxes

25 distributed to a fund using the following criteria:

26 (1) The reduction may be allocated in the amounts determined

27 by the political subdivision using a combination of unprotected

28 taxes of the political subdivision in those taxing districts in

29 which the credit caused a reduction in protected taxes.

30 (2) The tax revenue and each fund of any other political

31 subdivisions must not be affected by the reduction.

32 (d) When:

33 (1) the revenue that otherwise would be distributed to a fund

34 receiving only unprotected taxes is reduced entirely under

35 subsection (c) and the remaining revenue is insufficient for a

36 fund receiving protected taxes to receive the revenue specified

37 by subsection (c); or

38 (2) there is not a fund receiving only unprotected taxes from

39 which to distribute revenue;

40 the revenue distributed to the fund receiving protected taxes must also

41 be reduced. If the revenue distributed to a fund receiving protected

42 taxes is reduced, the political subdivision may transfer money from one

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

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

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

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

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

19 (2) the school corporation's:

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

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

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

26 (b) This subsection applies to credits allocated after December 31,
27 2023. A school corporation is not eligible to allocate credits
28 proportionately under this section, if a school corporation after July 1,
29 2023, issues new bonds or enters into a new lease rental agreement for
30 which the school corporation is imposing or will impose a debt service
31 levy other than:

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

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

37 (c) Subject to subsection (a) (before January 1, 2024) and
38 subsection (b) (after December 31, 2023), a school corporation is
39 eligible to allocate credits proportionately under this section for 2019,
40 2020, 2021, 2022, 2023, 2024, 2025, or 2026 if the school corporation's
41 percentage computed under this subsection is at least ten percent (10%)
42 for its operations fund levy as certified by the department of local

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

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

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

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

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

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

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

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

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

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

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

36 (e) For a school corporation that is certified as eligible under this
37 section, the school corporation may allocate the effect of the credits
38 granted under this chapter **and IC 6-1.1-49** proportionately among all
39 the school corporation's property tax funds that are not exempt under
40 section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund
41 and without taking into account the requirements of section 9.8 of this
42 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,



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

4 (1) property taxes, as defined in:

- 5 (A) ~~IC 6-1.1-39-5(g)~~; **IC 6-1.1-39-5(h)**;
- 6 (B) IC 36-7-14-39(a);
- 7 (C) IC 36-7-14-39.2;
- 8 (D) IC 36-7-14-39.3(c);
- 9 (E) IC 36-7-14.5-12.5;
- 10 (F) IC 36-7-15.1-26(a);
- 11 (G) IC 36-7-15.1-26.2(c);
- 12 (H) IC 36-7-15.1-53(a);
- 13 (I) IC 36-7-15.1-55(c);
- 14 (J) IC 36-7-30-25(a)(3);
- 15 (K) IC 36-7-30-26(c);
- 16 (L) IC 36-7-30.5-30; or
- 17 (M) IC 36-7-30.5-31; or

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

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

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

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

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

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

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

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

42 "Indiana law prohibits a person who owes delinquent taxes,

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

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

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

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

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

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- 1 penalties in favor of a political subdivision to the political
- 2 subdivision;
- 3 (4) notify the county auditor that the sale has been forfeited; and
- 4 (5) file with the county recorder a certification identifying the
- 5 forfeited sale that includes:
- 6 (A) the date of the sale;
- 7 (B) the name of the buyer;
- 8 (C) the property identification number of the real property;
- 9 (D) the real property's legal description; and
- 10 (E) a statement that the sale has been forfeited and is null
- 11 and void because the buyer was not eligible to purchase the
- 12 real property.

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

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

- 21 (1) prepare a written statement explaining the reasons for
- 22 declining to forfeit the sale;
- 23 (2) retain the written statement as an official record; and
- 24 (3) file with the county recorder a certification that includes:
- 25 (A) the date of the sale;
- 26 (B) the name of the buyer;
- 27 (C) the property identification number of the real property;
- 28 (D) the real property's legal description; and
- 29 (E) a statement that the sale has not been forfeited and is
- 30 valid.

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

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

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

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

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

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

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

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

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

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

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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

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

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

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

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

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

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

- 36 (1) Except as otherwise provided in this section, the proceeds of
- 37 the taxes attributable to the lesser of:
- 38 (A) the assessed value of the property for the assessment
- 39 date with respect to which the allocation and distribution is
- 40 made; or
- 41 (B) the base assessed value;
- 42 shall be allocated to and, when collected, paid into the funds of

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1 the respective taxing units. However, if the effective date of the
2 allocation provision of a declaratory ordinance is after March 1,
3 1985, and before January 1, 1986, and if an improvement to
4 property was partially completed on March 1, 1985, the unit may
5 provide in the declaratory ordinance that the taxes attributable to
6 the assessed value of the property as finally determined for
7 March 1, 1984, shall be allocated to and, when collected, paid
8 into the funds of the respective taxing units.

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

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

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

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 economic development district that is annexed by any taxing unit after
36 the effective date of the allocation provision of the declaratory
37 ordinance is the lesser of:

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

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

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

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

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

10 (2) the base assessed value.

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

27 (g) **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 district notifies the county**
36 **auditor and the department of local government finance, no later**
37 **than July 15, that it is unable to meet its debt service obligations**
38 **with regard to the allocation area without all or part of the**
39 **allocated tax proceeds attributed to the assessed value that 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 ~~(g)~~ **(h)** As used in this section, "property taxes" means:
4 (1) taxes imposed under this article on real property; and
5 (2) any part of the taxes imposed under this article on
6 depreciable personal property that the unit has by ordinance
7 allocated to the economic development district. However, the
8 ordinance may not limit the allocation to taxes on depreciable
9 personal property with any particular useful life or lives.

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

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

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

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

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

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

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

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

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

6 (b) Subject to subsections (c) and (d), the department of local
 7 government finance shall certify to the political subdivision **during the**
 8 **certification process under IC 6-1.1-17-16** that the proposal has a
 9 property tax rate that does not exceed the maximum property tax rate
 10 allowed by the applicable statute described in section 1 of this chapter.
 11 If the proposal has a property tax rate that exceeds the maximum
 12 property tax rate allowed by the applicable statute described in section
 13 1 of this chapter, the department of local government finance shall
 14 certify the proposal at a rate equal to the maximum property tax rate
 15 allowed by the applicable statute under section 1 of this chapter.

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

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

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

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

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

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



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1 adopting ordinance or resolution, and vote results on an ordinance or
 2 resolution under subsection (d). If the adopting body or other
 3 governmental entity wishes to submit the proposed notice, ordinance,
 4 or resolution to the department of local government finance for review,
 5 the adopting body or other governmental entity shall submit the
 6 proposed notice, ordinance, or resolution to the department of local
 7 government finance on the prescribed forms. The department of local
 8 government finance shall provide to the submitting entity a
 9 determination of the appropriateness of the proposed notice, ordinance,
 10 or resolution, including recommended modifications, within thirty (30)
 11 days of receiving the proposed notice, ordinance, or resolution.

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

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

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

- 30 (1) To make the following distributions:
- 31 (A) If an ordinance described in section 2.5 of this chapter
 - 32 is in effect in a county, to make a distribution to the county
 - 33 equal to the amount of revenue generated by the rate
 - 34 imposed under section 2.5 of this chapter.
 - 35 (B) If an ordinance described in section 2.6 of this chapter
 - 36 is in effect in a county, to make a distribution to the county
 - 37 equal to the amount of revenue generated by the rate
 - 38 imposed under section 2.6 of this chapter.
 - 39 (C) If an ordinance described in section 2.7 of this chapter
 - 40 is in effect in a county, to make a distribution to the county
 - 41 equal to the amount of revenue generated by the rate
 - 42 imposed under section 2.7 of this chapter.

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(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.

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

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

- 14 (1) hotel;
- 15 (2) motel;
- 16 (3) boat motel;
- 17 (4) inn; or
- 18 (5) tourist cabin;

19 located in the county.

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

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

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

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

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

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

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

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

24 (g) Municipal and county hospitals must comply with this
 25 chapter for all contracts for public work that are financed in whole or
 26 in part with cumulative building fund revenue, as provided in section
 27 1(c) of this chapter. However, if the cost of the public work is
 28 estimated to be less than fifty thousand dollars (\$50,000), as reflected
 29 in the board minutes, the hospital board may have the public work done
 30 without receiving bids, by purchasing the materials and performing the
 31 work by means of its own workforce and owned or leased equipment.

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

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



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

5 (A) (1) A copy of the executed guaranteed savings contract.
6 (B) (2) The:

- 7 (i) (A) energy or water consumption costs;
 - 8 (ii) (B) wastewater usage costs; and
 - 9 (iii) (C) billable revenues, if any;
- 10 before the date of execution of the guaranteed savings
11 contract. ~~and~~

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

- 14 (i) (A) stipulated savings; and
- 15 (ii) (B) related capital expenditures. ~~and~~

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

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

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

29 (2) either:
30 (A) the improvement is necessary to conform to a law, a
31 rule, or an ordinance; or
32 (B) an analysis within the guaranteed savings contract
33 demonstrates that:

- 34 (i) there is an economic advantage to the political
35 subdivision in implementing an improvement as part of
36 the guaranteed savings contract; and
- 37 (ii) the savings justification for the improvement is
38 documented by industry engineering standards.

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

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

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

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

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

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

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

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

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

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

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

34 (3) If:

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

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

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



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

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

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

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1 date of any allocation provisions for the allocation area is June 30,
 2 2025, or the last date of any obligations that are outstanding on July 1,
 3 2015, whichever is later. A declaratory resolution or an amendment
 4 that establishes an allocation provision after June 30, 1995, must
 5 specify an expiration date for the allocation provision. For an allocation
 6 area established before July 1, 2008, the expiration date may not be
 7 more than thirty (30) years after the date on which the allocation
 8 provision is established. For an allocation area established after June
 9 30, 2008, the expiration date may not be more than twenty-five (25)
 10 years after the date on which the first obligation was incurred to pay
 11 principal and interest on bonds or lease rentals on leases payable from
 12 tax increment revenues. However, with respect to bonds or other
 13 obligations that were issued before July 1, 2008, if any of the bonds or
 14 other obligations that were scheduled when issued to mature before the
 15 specified expiration date and that are payable only from allocated tax
 16 proceeds with respect to the allocation area remain outstanding as of
 17 the expiration date, the allocation provision does not expire until all of
 18 the bonds or other obligations are no longer outstanding.
 19 Notwithstanding any other law, in the case of an allocation area that is
 20 established after June 30, 2019, and that is located in a redevelopment
 21 project area described in section 25.1(c)(3)(C) of this chapter, an
 22 economic development area described in section 25.1(c)(3)(C) of this
 23 chapter, or an urban renewal project area described in section
 24 25.1(c)(3)(C) of this chapter, the expiration date of the allocation
 25 provision may not be more than thirty-five (35) years after the date on
 26 which the allocation provision is established. The allocation provision
 27 may apply to all or part of the redevelopment project area. The
 28 allocation provision must require that any property taxes subsequently
 29 levied by or for the benefit of any public body entitled to a distribution
 30 of property taxes on taxable property in the allocation area be allocated
 31 and distributed as follows:

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

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

37 (B) the base assessed value;

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

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



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

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

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

11 STEP TWO: Subtract the STEP ONE amount from one
 12 (1).

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

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

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

38 (3) The excess of the proceeds of the property taxes imposed for
 39 the assessment date with respect to which the allocation and
 40 distribution is made that are attributable to taxes imposed after
 41 being approved by the voters in a referendum or local public
 42 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

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

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

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

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

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

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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**



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

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

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

19 (2) Subject to subdivision (3), the initial allocation deadline and
 20 subsequent allocation deadlines are automatically extended in
 21 increments of five (5) years, so that allocation deadlines
 22 subsequent to the initial allocation deadline fall on December 31,
 23 2016, and December 31 of each fifth year thereafter.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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1 established by a county) establishes the credit by ordinance
 2 adopted in the year before the year in which the credit is
 3 provided.
 4 (c) The maximum credit that may be provided under subsection
 5 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 6 allocation area established for a program adopted under section 45 of
 7 this chapter shall be determined as follows:
 8 STEP ONE: Determine that part of the sum of the amounts
 9 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
 10 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
 11 attributable to the taxing district.
 12 STEP TWO: Divide:
 13 (A) that part of each county's eligible property tax
 14 replacement amount (as defined in IC 6-1.1-21-2) (before
 15 its repeal) for that year as determined under
 16 IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to
 17 the taxing district; by
 18 (B) the amount determined under STEP ONE.
 19 STEP THREE: Multiply:
 20 (A) the STEP TWO quotient; by
 21 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2)
 22 (before its repeal) levied in the taxing district allocated to
 23 the allocation fund, including the amount that would have
 24 been allocated but for the credit.
 25 (d) The commission may determine to grant to taxpayers in an
 26 allocation area from its allocation fund a credit under this section, as
 27 calculated under subsection (c). Except as provided in subsection (g),
 28 one-half (1/2) of the credit shall be applied to each installment of taxes
 29 (as defined in IC 6-1.1-21-2) (before its repeal) that under
 30 IC 6-1.1-22-9 are due and payable in a year. The commission must
 31 provide for the credit annually by a resolution and must find in the
 32 resolution the following:
 33 (1) That the money to be collected and deposited in the
 34 allocation fund, based upon historical collection rates, after
 35 granting the credit will equal the amounts payable for
 36 contractual obligations from the fund, plus ten percent (10%) of
 37 those amounts.
 38 (2) If bonds payable from the fund are outstanding, that there is
 39 a debt service reserve for the bonds that at least equals the
 40 amount of the credit to be granted.
 41 (3) If bonds of a lessor under section 25.2 of this chapter or
 42 under IC 36-1-10 are outstanding and if lease rentals are payable

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

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

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

9 (1) Accomplish one (1) or more of the actions set forth in section
10 39(b)(4)(A) through 39(b)(4)(H) and 39(b)(4)(J) of this chapter
11 for property that is residential in nature.

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

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

17 (f) Notwithstanding section 39(b) of this chapter, the commission
18 shall, relative to the allocation fund established under section 39(b) of
19 this chapter for an allocation area for a program adopted under section
20 45 of this chapter, do the following before June 15 of each year:

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

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

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

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

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

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

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1 each year. The notice must:

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

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

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

27 (3) If:

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

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

35 the commission shall submit to the legislative body of the unit its
36 determination of the excess assessed value that the commission
37 proposes to allocate to the respective taxing units in the manner
38 prescribed in subdivision (2). The legislative body of the unit
39 may approve the commission's determination or modify the
40 amount of the excess assessed value that will be allocated to the
41 respective taxing units in the manner prescribed in subdivision
42 (2).



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

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

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

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

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

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

35 (4) To do any of the following:

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

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

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

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

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

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

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

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

33 (1) property taxes, as described in:

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

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

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

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

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

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

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

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

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



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

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- 1 (3) If:
- 2 (A) an allocation provision adopted before June 30, 1995,
- 3 in a declaratory resolution or an amendment to a declaratory
- 4 resolution establishing a redevelopment project area expires
- 5 after June 30, 1997; and
- 6 (B) after June 30, 1997, a new allocation provision is
- 7 included in an amendment to the declaratory resolution;
- 8 the net assessed value of all the property as finally determined
- 9 for the assessment date immediately preceding the effective date
- 10 of the allocation provision adopted after June 30, 1997, as
- 11 adjusted under subsection (h).
- 12 (4) Except as provided in subdivision (5), for all other allocation
- 13 areas, the net assessed value of all the property as finally
- 14 determined for the assessment date immediately preceding the
- 15 effective date of the allocation provision of the declaratory
- 16 resolution, as adjusted under subsection (h).
- 17 (5) If an allocation area established in an economic development
- 18 area before July 1, 1995, is expanded after June 30, 1995, the
- 19 definition in subdivision (1) applies to the expanded part of the
- 20 area added after June 30, 1995.
- 21 (6) If an allocation area established in a redevelopment project
- 22 area before July 1, 1997, is expanded after June 30, 1997, the
- 23 definition in subdivision (2) applies to the expanded part of the
- 24 area added after June 30, 1997.

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

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

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

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

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

41 (B) the base assessed value;

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



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

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

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

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

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

(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

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

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

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

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

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



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

4 (C) If:

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

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

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

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

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

28 (2) the base assessed value.

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

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

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

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



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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

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

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

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



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1 (2) Subject to subdivision (3), the initial allocation deadline and
 2 subsequent allocation deadlines are automatically extended in
 3 increments of five (5) years, so that allocation deadlines
 4 subsequent to the initial allocation deadline fall on December 31,
 5 2016, and December 31 of each fifth year thereafter.
 6 (3) At least one (1) year before the date of an allocation deadline
 7 determined under subdivision (2), the general assembly may
 8 enact a law that:
 9 (A) terminates the automatic extension of allocation
 10 deadlines under subdivision (2); and
 11 (B) specifically designates a particular date as the final
 12 allocation deadline.
 13 (j) If the commission adopts a declaratory resolution or an
 14 amendment to a declaratory resolution that contains an allocation
 15 provision and the commission makes either of the filings required
 16 under section 10(e) of this chapter after the first anniversary of the
 17 effective date of the allocation provision, the auditor of the county in
 18 which the unit is located shall compute the base assessed value for the
 19 allocation area using the assessment date immediately preceding the
 20 later of:
 21 (1) the date on which the documents are filed with the county
 22 auditor; or
 23 (2) the date on which the documents are filed with the
 24 department of local government finance.
 25 (k) For an allocation area established after June 30, 2024,
 26 "residential property" refers to the assessed value of property that is
 27 allocated to the one percent (1%) homestead land and improvement
 28 categories in the county tax and billing software system, along with the
 29 residential assessed value as defined for purposes of calculating the
 30 rate for the local income tax property tax relief credit designated for
 31 residential property under IC 6-3.6-5-6(d)(3).
 32 SECTION 52. IC 36-7-15.1-26, AS AMENDED BY P.L.68-2025,
 33 SECTION 235, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this section:
 35 "Allocation area" means that part of a redevelopment project area
 36 to which an allocation provision of a resolution adopted under section
 37 8 of this chapter refers for purposes of distribution and allocation of
 38 property taxes.
 39 "Base assessed value" means, subject to subsection (j), the
 40 following:
 41 (1) If an allocation provision is adopted after June 30, 1995, in
 42 a declaratory resolution or an amendment to a declaratory

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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

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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

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

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

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

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

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

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

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

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- 1 or refinancing the redevelopment of that allocation area.
 2 (B) Establish, augment, or restore the debt service reserve
 3 for bonds payable solely or in part from allocated tax
 4 proceeds in that allocation area.
 5 (C) Pay the principal of and interest on bonds payable from
 6 allocated tax proceeds in that allocation area and from the
 7 special tax levied under section 19 of this chapter.
 8 (D) Pay the principal of and interest on bonds issued by the
 9 consolidated city to pay for local public improvements that
 10 are physically located in or physically connected to that
 11 allocation area.
 12 (E) Pay premiums on the redemption before maturity of
 13 bonds payable solely or in part from allocated tax proceeds
 14 in that allocation area.
 15 (F) Make payments on leases payable from allocated tax
 16 proceeds in that allocation area under section 17.1 of this
 17 chapter.
 18 (G) Reimburse the consolidated city for expenditures for
 19 local public improvements (which include buildings,
 20 parking facilities, and other items set forth in section 17 of
 21 this chapter) that are physically located in or physically
 22 connected to that allocation area.
 23 (H) Reimburse the unit for rentals paid by it for a building
 24 or parking facility that is physically located in or physically
 25 connected to that allocation area under any lease entered
 26 into under IC 36-1-10.
 27 (I) Reimburse public and private entities for expenses
 28 incurred in training employees of industrial facilities that
 29 are located:
 30 (i) in the allocation area; and
 31 (ii) on a parcel of real property that has been classified
 32 as industrial property under the rules of the department
 33 of local government finance.
 34 However, the total amount of money spent for this purpose
 35 in any year may not exceed the total amount of money in the
 36 allocation fund that is attributable to property taxes paid by
 37 the industrial facilities described in this clause. The
 38 reimbursements under this clause must be made within
 39 three (3) years after the date on which the investments that
 40 are the basis for the increment financing are made.
 41 (J) Pay the costs of carrying out an eligible efficiency
 42 project (as defined in IC 36-9-41-1.5) within the unit that

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

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

13 (ii) Make any reimbursements required under this
 14 subdivision.

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

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

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

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

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

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

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

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



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

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

28 (C) If:
 29 (i) the amount of excess assessed value determined by
 30 the commission is expected to generate more than two
 31 hundred percent (200%) of the amount of allocated tax
 32 proceeds necessary to make, when due, principal and
 33 interest payments on bonds described in subdivision
 34 (3); plus
 35 (ii) the amount necessary for other purposes described
 36 in subdivision (3) and subsection (g);
 37 the commission shall submit to the legislative body of the
 38 unit the commission's determination of the excess assessed
 39 value that the commission proposes to allocate to the
 40 respective taxing units in the manner prescribed in
 41 subdivision (1). The legislative body of the unit may
 42 approve the commission's determination or modify the



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

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

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

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

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

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

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

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

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1 subsection (b)(1) and (b)(2) from property located in the enterprise
 2 zone. The unit that creates the special zone fund shall use the fund,
 3 based on the recommendations of the urban enterprise association, for
 4 one (1) or more of the following purposes:
 5 (1) To pay for programs in job training, job enrichment, and
 6 basic skill development designed to benefit residents and
 7 employers in the enterprise zone. The programs must reserve at
 8 least one-half (1/2) of the enrollment in any session for residents
 9 of the enterprise zone.
 10 (2) To make loans and grants for the purpose of stimulating
 11 business activity in the enterprise zone or providing employment
 12 for enterprise zone residents in the enterprise zone. These loans
 13 and grants may be made to the following:
 14 (A) Businesses operating in the enterprise zone.
 15 (B) Businesses that will move their operations to the
 16 enterprise zone if such a loan or grant is made.
 17 (3) To provide funds to carry out other purposes specified in
 18 subsection (b)(3). However, where reference is made in
 19 subsection (b)(3) to the allocation area, the reference refers for
 20 purposes of payments from the special zone fund only to that
 21 part of the allocation area that is also located in the enterprise
 22 zone.
 23 (h) The state board of accounts and department of local
 24 government finance shall make the rules and prescribe the forms and
 25 procedures that they consider expedient for the implementation of this
 26 chapter. After each reassessment under a reassessment plan prepared
 27 under IC 6-1.1-4-4.2, the ~~department of local government finance~~
 28 **county auditor shall, on forms prescribed by the department of**
 29 **local government finance**, adjust the base assessed value one (1) time
 30 to neutralize any effect of the reassessment of the real property in the
 31 area on the property tax proceeds allocated to the redevelopment
 32 district under this section. After each annual adjustment under
 33 IC 6-1.1-4-4.5, the ~~department of local government finance county~~
 34 **auditor shall, on forms prescribed by the department of local**
 35 **government finance**, adjust the base assessed value to neutralize any
 36 effect of the annual adjustment on the property tax proceeds allocated
 37 to the redevelopment district under this section. However, the
 38 adjustments under this subsection may not include the effect of
 39 property tax abatements under IC 6-1.1-12.1, and these adjustments
 40 may not produce less property tax proceeds allocable to the
 41 redevelopment district under subsection (b)(3) than would otherwise
 42 have been received if the reassessment under the reassessment plan or

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

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

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

25 (2) Subject to subdivision (3), the initial allocation deadline and
 26 subsequent allocation deadlines are automatically extended in
 27 increments of five (5) years, so that allocation deadlines
 28 subsequent to the initial allocation deadline fall on December 31,
 29 2016, and December 31 of each fifth year thereafter.

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

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

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

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



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

- 3 (1) the date on which the documents are filed with the county
4 auditor; or
- 5 (2) the date on which the documents are filed with the
6 department of local government finance.

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

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

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

- 29 (1) The construction, rehabilitation, or repair of residential units
30 within the allocation area.
- 31 (2) The construction, reconstruction, or repair of infrastructure
32 (such as streets, sidewalks, and sewers) within or serving the
33 allocation area.
- 34 (3) The acquisition of real property and interests in real property
35 within the allocation area.
- 36 (4) The demolition of real property within the allocation area.
- 37 (5) To provide financial assistance to enable individuals and
38 families to purchase or lease residential units within the
39 allocation area. However, financial assistance may be provided
40 only to those individuals and families whose income is at or
41 below the county's median income for individuals and families,
42 respectively.

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1 (6) To provide financial assistance to neighborhood development
 2 corporations to permit them to provide financial assistance for
 3 the purposes described in subdivision (5).
 4 (7) For property taxes first due and payable before 2009, to
 5 provide each taxpayer in the allocation area a credit for property
 6 tax replacement as determined under subsections (c) and (d).
 7 However, this credit may be provided by the commission only if
 8 the city-county legislative body establishes the credit by
 9 ordinance adopted in the year before the year in which the credit
 10 is provided.
 11 (c) The maximum credit that may be provided under subsection
 12 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 13 allocation area established for a program adopted under section 32 of
 14 this chapter shall be determined as follows:
 15 STEP ONE: Determine that part of the sum of the amounts
 16 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
 17 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
 18 attributable to the taxing district.
 19 STEP TWO: Divide:
 20 (A) that part of each county's eligible property tax
 21 replacement amount (as defined in IC 6-1.1-21-2 (before its
 22 repeal)) for that year as determined under
 23 IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to
 24 the taxing district; by
 25 (B) the amount determined under STEP ONE.
 26 STEP THREE: Multiply:
 27 (A) the STEP TWO quotient; by
 28 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before
 29 its repeal)) levied in the taxing district allocated to the
 30 allocation fund, including the amount that would have been
 31 allocated but for the credit.
 32 (d) Except as provided in subsection (g), the commission may
 33 determine to grant to taxpayers in an allocation area from its allocation
 34 fund a credit under this section, as calculated under subsection (c), by
 35 applying one-half (1/2) of the credit to each installment of taxes (as
 36 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9
 37 are due and payable in a year. Except as provided in subsection (g),
 38 one-half (1/2) of the credit shall be applied to each installment of taxes
 39 (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must
 40 provide for the credit annually by a resolution and must find in the
 41 resolution the following:
 42 (1) That the money to be collected and deposited in the

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

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

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

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

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

18 (1) Accomplish one (1) or more of the actions set forth in section
19 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

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

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

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

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

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

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

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

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

42 (2) Provide a written notice to the county auditor, the legislative

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

6 (A) state the amount, if any, of excess assessed value that
7 the commission has determined may be allocated to the
8 respective taxing units in the manner prescribed in section
9 26(b)(1) of this chapter; or

10 (B) state that the commission has determined that there is
11 no excess assessed value that may be allocated to the
12 respective taxing units in the manner prescribed in section
13 26(b)(1) of this chapter.

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

31 (g) This subsection applies to an allocation area only to the extent
32 that the net assessed value of property that is assessed as residential
33 property under the rules of the department of local government finance
34 is not included in the base assessed value. If property tax installments
35 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its
36 repeal)) are due in installments established by the department of local
37 government finance under IC 6-1.1-22-9.5, each taxpayer subject to
38 those installments in an allocation area is entitled to an additional
39 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2
40 (before its repeal)) due in installments. The credit shall be applied in
41 the same proportion to each installment of taxes (as defined in
42 IC 6-1.1-21-2 (before its repeal)).

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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

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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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- 1 (E) Pay premiums on the redemption before maturity of
- 2 bonds payable solely or in part from allocated tax proceeds
- 3 in that allocation area.
- 4 (F) Make payments on leases payable from allocated tax
- 5 proceeds in that allocation area under section 46 of this
- 6 chapter.
- 7 (G) Reimburse the excluded city for expenditures for local
- 8 public improvements (which include buildings, park
- 9 facilities, and other items set forth in section 45 of this
- 10 chapter) that are physically located in or physically
- 11 connected to that allocation area.
- 12 (H) Reimburse the unit for rentals paid by it for a building
- 13 or parking facility that is physically located in or physically
- 14 connected to that allocation area under any lease entered
- 15 into under IC 36-1-10.
- 16 (I) Reimburse public and private entities for expenses
- 17 incurred in training employees of industrial facilities that
- 18 are located:
 - 19 (i) in the allocation area; and
 - 20 (ii) on a parcel of real property that has been classified
 - 21 as industrial property under the rules of the department
 - 22 of local government finance.
- 23 However, the total amount of money spent for this purpose
- 24 in any year may not exceed the total amount of money in the
- 25 allocation fund that is attributable to property taxes paid by
- 26 the industrial facilities described in this clause. The
- 27 reimbursements under this clause must be made within
- 28 three (3) years after the date on which the investments that
- 29 are the basis for the increment financing are made.
- 30 The special fund may not be used for operating expenses of the
- 31 commission.
- 32 (4) Before June 15 of each year, the commission shall do the
- 33 following:
 - 34 (A) Determine the amount, if any, by which the assessed
 - 35 value of the taxable property in the allocation area for the
 - 36 most recent assessment date minus the base assessed value,
 - 37 when multiplied by the estimated tax rate of the allocation
 - 38 area, will exceed the amount of assessed value needed to
 - 39 provide the property taxes necessary to make, when due,
 - 40 principal and interest payments on bonds described in
 - 41 subdivision (3) plus the amount necessary for other
 - 42 purposes described in subdivision (3) and subsection (g).

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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, 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,



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

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

10 "Allocation area" means that part of a redevelopment project area
11 to which an allocation provision of a resolution adopted under section
12 40 of this chapter refers for purposes of distribution and allocation of
13 property taxes.

14 "Base assessed value" means, subject to subsection (j):
15 (1) the net assessed value of all the property as finally
16 determined for the assessment date immediately preceding the
17 effective date of the allocation provision of the declaratory
18 resolution, as adjusted under subsection (h); plus
19 (2) to the extent that it is not included in subdivision (1), the net
20 assessed value of property that is assessed as residential property
21 under the rules of the department of local government finance,
22 as finally determined for the current assessment date.

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

25 (b) A resolution adopted under section 40 of this chapter on or
26 before the allocation deadline determined under subsection (i) may
27 include a provision with respect to the allocation and distribution of
28 property taxes for the purposes and in the manner provided in this
29 section. A resolution previously adopted may include an allocation
30 provision by the amendment of that resolution on or before the
31 allocation deadline determined under subsection (i) in accordance with
32 the procedures required for its original adoption. A declaratory
33 resolution or an amendment that establishes an allocation provision
34 must be approved by resolution of the legislative body of the excluded
35 city and must specify an expiration date for the allocation provision.
36 For an allocation area established before July 1, 2008, the expiration
37 date may not be more than thirty (30) years after the date on which the
38 allocation provision is established. For an allocation area established
39 after June 30, 2008, the expiration date may not be more than
40 twenty-five (25) years after the date on which the first obligation was
41 incurred to pay principal and interest on bonds or lease rentals on
42 leases payable from tax increment revenues. However, with respect to

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1 bonds or other obligations that were issued before July 1, 2008, if any
2 of the bonds or other obligations that were scheduled when issued to
3 mature before the specified expiration date and that are payable only
4 from allocated tax proceeds with respect to the allocation area remain
5 outstanding as of the expiration date, the allocation provision does not
6 expire until all of the bonds or other obligations are no longer
7 outstanding. The allocation provision may apply to all or part of the
8 redevelopment project area. The allocation provision must require that
9 any property taxes subsequently levied by or for the benefit of any
10 public body entitled to a distribution of property taxes on taxable
11 property in the allocation area be allocated and distributed as follows:

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

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

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

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

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

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

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

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

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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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1 **under this section to the respective taxing units.**
2 (c) For the purpose of allocating taxes levied by or for any taxing
3 unit or units, the assessed value of taxable property in a territory in the
4 allocation area that is annexed by any taxing unit after the effective
5 date of the allocation provision of the resolution is the lesser of:
6 (1) the assessed value of the property for the assessment date
7 with respect to which the allocation and distribution is made; or
8 (2) the base assessed value.
9 (d) Property tax proceeds allocable to the redevelopment district
10 under subsection (b)(3) may, subject to subsection (b)(4), be
11 irrevocably pledged by the redevelopment district for payment as set
12 forth in subsection (b)(3).
13 (e) Notwithstanding any other law, each assessor shall, upon
14 petition of the commission, reassess the taxable property situated upon
15 or in, or added to, the allocation area, effective on the next assessment
16 date after the petition.
17 (f) Notwithstanding any other law, the assessed value of all taxable
18 property in the allocation area, for purposes of tax limitation, property
19 tax replacement, and formulation of the budget, tax rate, and tax levy
20 for each political subdivision in which the property is located, is the
21 lesser of:
22 (1) the assessed value of the property as valued without regard
23 to this section; or
24 (2) the base assessed value.
25 (g) If any part of the allocation area is located in an enterprise zone
26 created under IC 5-28-15, the unit that designated the allocation area
27 shall create funds as specified in this subsection. A unit that has
28 obligations, bonds, or leases payable from allocated tax proceeds under
29 subsection (b)(3) shall establish an allocation fund for the purposes
30 specified in subsection (b)(3) and a special zone fund. Such a unit
31 shall, until the end of the enterprise zone phase out period, deposit each
32 year in the special zone fund the amount in the allocation fund derived
33 from property tax proceeds in excess of those described in subsection
34 (b)(1) and (b)(2) from property located in the enterprise zone that
35 exceeds the amount sufficient for the purposes specified in subsection
36 (b)(3) for the year. A unit that has no obligations, bonds, or leases
37 payable from allocated tax proceeds under subsection (b)(3) shall
38 establish a special zone fund and deposit all the property tax proceeds
39 in excess of those described in subsection (b)(1) and (b)(2) in the fund
40 derived from property tax proceeds in excess of those described in
41 subsection (b)(1) and (b)(2) from property located in the enterprise
42 zone. The unit that creates the special zone fund shall use the fund,

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1 based on the recommendations of the urban enterprise association, for
 2 one (1) or more of the following purposes:
 3 (1) To pay for programs in job training, job enrichment, and
 4 basic skill development designed to benefit residents and
 5 employers in the enterprise zone. The programs must reserve at
 6 least one-half (1/2) of the enrollment in any session for residents
 7 of the enterprise zone.
 8 (2) To make loans and grants for the purpose of stimulating
 9 business activity in the enterprise zone or providing employment
 10 for enterprise zone residents in an enterprise zone. These loans
 11 and grants may be made to the following:
 12 (A) Businesses operating in the enterprise zone.
 13 (B) Businesses that will move their operations to the
 14 enterprise zone if such a loan or grant is made.
 15 (3) To provide funds to carry out other purposes specified in
 16 subsection (b)(3). However, where reference is made in
 17 subsection (b)(3) to the allocation area, the reference refers, for
 18 purposes of payments from the special zone fund, only to that
 19 part of the allocation area that is also located in the enterprise
 20 zone.
 21 (h) The state board of accounts and department of local
 22 government finance shall make the rules and prescribe the forms and
 23 procedures that they consider expedient for the implementation of this
 24 chapter. After each reassessment of real property in an area under a
 25 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
 26 ~~department of local government finance~~ **county auditor** shall, **on**
 27 **forms prescribed by the department of local government finance**,
 28 adjust the base assessed value one (1) time to neutralize any effect of
 29 the reassessment of the real property in the area on the property tax
 30 proceeds allocated to the redevelopment district under this section.
 31 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
 32 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 33 **by the department of local government finance**, adjust the base
 34 assessed value to neutralize any effect of the annual adjustment on the
 35 property tax proceeds allocated to the redevelopment district under this
 36 section. However, the adjustments under this subsection may not
 37 include the effect of property tax abatements under IC 6-1.1-12.1, and
 38 these adjustments may not produce less property tax proceeds allocable
 39 to the redevelopment district under subsection (b)(3) than would
 40 otherwise have been received if the reassessment under the county's
 41 reassessment plan or annual adjustment had not occurred. ~~The~~
 42 ~~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:



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- 1 (1) the date on which the documents are filed with the county
- 2 auditor; or
- 3 (2) the date on which the documents are filed with the
- 4 department of local government finance.
- 5 (k) For an allocation area established after June 30, 2024,
- 6 "residential property" refers to the assessed value of property that is
- 7 allocated to the one percent (1%) homestead land and improvement
- 8 categories in the county tax and billing software system, along with the
- 9 residential assessed value as defined for purposes of calculating the
- 10 rate for the local income tax property tax relief credit designated for
- 11 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).
- 12 SECTION 56. IC 36-7-15.1-62, AS AMENDED BY
- 13 P.L.257-2019, SECTION 131, IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding
- 15 section 26(a) of this chapter, with respect to the allocation and
- 16 distribution of property taxes for the accomplishment of the purposes
- 17 of an age-restricted housing program adopted under section 59 of this
- 18 chapter, "base assessed value" means, subject to section 26(j) of this
- 19 chapter, the net assessed value of all of the property, other than
- 20 personal property, as finally determined for the assessment date
- 21 immediately preceding the effective date of the allocation provision, as
- 22 adjusted under section 26(h) of this chapter.
- 23 (b) The allocation fund established under section 26(b) of this
- 24 chapter for the allocation area for an age-restricted housing program
- 25 adopted under section 59 of this chapter may be used only for purposes
- 26 related to the accomplishment of the purposes of the program,
- 27 including, but not limited to, the following:
- 28 (1) The construction of any infrastructure (including streets,
- 29 sidewalks, and sewers) or local public improvements in, serving,
- 30 or benefiting the allocation area.
- 31 (2) The acquisition of real property and interests in real property
- 32 within the allocation area.
- 33 (3) The preparation of real property in anticipation of
- 34 development of the real property within the allocation area.
- 35 (4) To do any of the following:
- 36 (A) Pay the principal of and interest on bonds or any other
- 37 obligations payable from allocated tax proceeds in the
- 38 allocation area that are incurred by the redevelopment
- 39 district for the purpose of financing or refinancing the
- 40 age-restricted housing program established under section 59
- 41 of this chapter for the allocation area.
- 42 (B) Establish, augment, or restore the debt service reserve

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- 1 for bonds payable solely or in part from allocated tax
- 2 proceeds in the allocation area.
- 3 (C) Pay the principal of and interest on bonds payable from
- 4 allocated tax proceeds in the allocation area and from the
- 5 special tax levied under section 19 of this chapter.
- 6 (D) Pay the principal of and interest on bonds issued by the
- 7 unit to pay for local public improvements that are physically
- 8 located in or physically connected to the allocation area.
- 9 (E) Pay premiums on the redemption before maturity of
- 10 bonds payable solely or in part from allocated tax proceeds
- 11 in the allocation area.
- 12 (F) Make payments on leases payable from allocated tax
- 13 proceeds in the allocation area under section 17.1 of this
- 14 chapter.
- 15 (G) Reimburse the unit for expenditures made by the unit
- 16 for local public improvements (which include buildings,
- 17 parking facilities, and other items described in section 17(a)
- 18 of this chapter) that are physically located in or physically
- 19 connected to the allocation area.
- 20 (c) Notwithstanding section 26(b) of this chapter, the commission
- 21 shall, relative to the allocation fund established under section 26(b) of
- 22 this chapter for an allocation area for an age-restricted housing program
- 23 adopted under section 59 of this chapter, do the following before June
- 24 15 of each year:
- 25 (1) Determine the amount, if any, by which the assessed value of
- 26 the taxable property in the allocation area for the most recent
- 27 assessment date minus the base assessed value, when multiplied
- 28 by the estimated tax rate of the allocation area, will exceed the
- 29 amount of assessed value needed to produce the property taxes
- 30 necessary to:
- 31 (A) make the distribution required under section 26(b)(2) of
- 32 this chapter;
- 33 (B) make, when due, principal and interest payments on
- 34 bonds described in section 26(b)(3) of this chapter;
- 35 (C) pay the amount necessary for other purposes described
- 36 in section 26(b)(3) of this chapter; and
- 37 (D) reimburse the county or municipality for anticipated
- 38 expenditures described in subsection (b)(2).
- 39 (2) Provide a written notice to the county auditor, the fiscal body
- 40 of the county or municipality that established the department of
- 41 redevelopment, the officers who are authorized to fix budgets,
- 42 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other

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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),

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1 the net assessed value of any and all parcels or classes of
 2 parcels identified as part of the base assessed value in the
 3 declaratory resolution or an amendment thereto, as finally
 4 determined for any subsequent assessment date; plus
 5 (C) to the extent that it is not included in clause (A) or (B),
 6 the net assessed value of property that is assessed as
 7 residential property under the rules of the department of
 8 local government finance, within the allocation area, as
 9 finally determined for the current assessment date.

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

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

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

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

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

34 (B) the base assessed value;

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

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



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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

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

(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

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

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

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

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

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

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

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

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

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

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

42 (C) to the extent that it is not included in clause (A) or (B),

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1 the net assessed value of property that is assessed as
 2 residential property under the rules of the department of
 3 local government finance, within the allocation area, as
 4 finally determined for the current assessment date.
 5 Clause (C) applies only to allocation areas established in a
 6 military reuse area after June 30, 1997, and to the part of an
 7 allocation area that was established before June 30, 1997, and
 8 that is added to an existing allocation area after June 30, 1997.
 9 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 10 property.
 11 (b) A declaratory resolution adopted under section 10 of this
 12 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 13 declaratory resolutions adopted under IC 36-7-14-15 may include a
 14 provision with respect to the allocation and distribution of property
 15 taxes for the purposes and in the manner provided in this section. A
 16 declaratory resolution previously adopted may include an allocation
 17 provision by the amendment of that declaratory resolution in
 18 accordance with the procedures set forth in section 13 of this chapter.
 19 The allocation provision may apply to all or part of the military base
 20 reuse area. The allocation provision must require that any property
 21 taxes subsequently levied by or for the benefit of any public body
 22 entitled to a distribution of property taxes on taxable property in the
 23 allocation area be allocated and distributed as follows:
 24 (1) Except as otherwise provided in this section, the proceeds of
 25 the taxes attributable to the lesser of:
 26 (A) the assessed value of the property for the assessment
 27 date with respect to which the allocation and distribution is
 28 made; or
 29 (B) the base assessed value;
 30 shall be allocated to and, when collected, paid into the funds of
 31 the respective taxing units.
 32 (2) The excess of the proceeds of the property taxes imposed for
 33 the assessment date with respect to which the allocation and
 34 distribution are made that are attributable to taxes imposed after
 35 being approved by the voters in a referendum or local public
 36 question conducted after April 30, 2010, not otherwise included
 37 in subdivision (1) shall be allocated to and, when collected, paid
 38 into the funds of the taxing unit for which the referendum or
 39 local public question was conducted.
 40 (3) Except as otherwise provided in this section, property tax
 41 proceeds in excess of those described in subdivisions (1) and (2)
 42 shall be allocated to the military base reuse district and, when

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1 collected, paid into an allocation fund for that allocation area
2 that may be used by the military base reuse district and only to
3 do one (1) or more of the following:

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

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

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

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

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

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

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

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

42 (G) Expend money and provide financial assistance as

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

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

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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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1 one-half (1/2) of their enrollment in any session for residents of the
2 enterprise zone.

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

41 (i) If the reuse authority adopts a declaratory resolution or an
42 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.

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(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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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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:

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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.

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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

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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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1 under section 17 of this chapter.
 2 **(c) The county auditor shall, in the manner prescribed by the**
 3 **department of local government finance, submit the forms**
 4 **required by this section to the department of local government**
 5 **finance no later than July 15 of each year. If the county auditor**
 6 **fails to submit the forms by the deadline under this subsection, the**
 7 **county auditor shall allocate five percent (5%) of the assessed**
 8 **value in the allocation area that is used to calculate the allocation**
 9 **and distribution of allocated tax proceeds under this section to the**
 10 **respective taxing units. However, if the certified technology park**
 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 SECTION 62. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022,
 21 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 16. (a) The state board of accounts, the
 23 department of state revenue, and the department of local government
 24 finance may adopt rules under IC 4-22-2 and prescribe the forms and
 25 procedures that the state board of accounts, the department of state
 26 revenue, and the department of local government finance consider
 27 appropriate for the implementation of an innovation development
 28 district under this chapter. However, before adopting rules under this
 29 section, the state board of accounts, the department of state revenue,
 30 and the department of local government finance shall submit a report
 31 to the budget committee that:

- 32 (1) describes the rules proposed by the state board of accounts,
 33 the department of state revenue, and the department of local
 34 government finance; and
- 35 (2) recommends statutory changes necessary to implement the
 36 provisions of this chapter.

37 (b) After each reassessment of real property in an area under a
 38 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
 39 department of local government finance county auditor shall, on
 40 forms prescribed by the department of local government finance,
 41 adjust the base assessed value one (1) time to neutralize any effect of
 42 the reassessment of the real property in the area on the property tax

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1 proceeds allocated to the local innovation development district fund
2 established by section 19 of this chapter.

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

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

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

31 **Chapter 42.5. Tourism Improvement Districts**

32 **Sec. 1. This chapter applies to all units except townships.**

33 **Sec. 2. As used in this chapter, "activities" means any**
34 **programs or services that promote business activity or tourism**
35 **activity and are provided to confer specific benefits upon the**
36 **businesses that are located in the tourism improvement district.**

37 **Sec. 3. As used in this chapter, "district" means a tourism**
38 **improvement district established by an ordinance adopted under**
39 **section 13 of this chapter.**

40 **Sec. 4. As used in this chapter, "district management**
41 **association" means a private nonprofit entity designated in the**
42 **district plan that enters into a contract with a unit to administer**

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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

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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.

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1 In addition, the property described in this section shall not be
 2 subject to a special assessment under this chapter.

3 Sec. 10. Subject to section 9.5 of this chapter, the territory of
 4 a tourism improvement district:

5 (1) in the case of a municipality, may include only territory
 6 within the municipality; or

7 (2) in the case of a county, may include only territory of the
 8 county that is not within any municipality in the county.

9 Sec. 11. (a) A special assessment on businesses located within
 10 the district shall be levied on the basis of the estimated benefit to
 11 the businesses within the district. The unit's legislative body may
 12 use the classification of the types of businesses described in section
 13 9(c)(5) of this chapter in determining the benefit to a business
 14 provided by the district.

15 (b) The special assessment that may be levied on businesses
 16 located within the district may take any form that confers benefits
 17 to the assessed business and may include any combination of the
 18 following methods:

19 (1) A percentage rate per transaction at a business within the
 20 district.

21 (2) A fixed rate per transaction per day at a business within
 22 the district.

23 (3) A percentage of gross sales at a business within the
 24 district.

25 (c) The special assessment may be levied on different types of
 26 businesses located within the district and is not required to be
 27 levied on the same basis or at the same rate.

28 Sec. 12. (a) After receipt of a petition under section 9 of this
 29 chapter, the clerk of the municipality or the county auditor shall,
 30 in the manner provided by IC 5-3-1, publish notice of a hearing on
 31 the proposed district. The clerk of the municipality or the county
 32 auditor shall mail a copy of the notice to each owner within the
 33 proposed district. The notice must include the boundaries of the
 34 proposed district, a description of the proposed activities and
 35 improvements, the proposed formula for determining the
 36 percentage of the total benefit to be received by each business, the
 37 method of determining the benefit received by each business, and
 38 the hearing date. The date of the hearing may not be more than
 39 sixty (60) days after the date on which the notice is mailed.

40 (b) At the public hearing under subsection (a), the legislative
 41 body shall hear all owners in the proposed district (who appear
 42 and request to be heard) upon the questions of:



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

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1 determines is reasonable as it relates to the operation of the
 2 district.
 3 For purposes of subdivision (2), the collection of special
 4 assessments under this chapter may occur at the same time and in
 5 the same manner as for an innkeeper's tax under IC 6-9, including
 6 the application of any enforcement mechanisms and interest and
 7 penalty attributable to innkeeper's taxes under IC 6-9-29.
 8 (d) The adoption of an ordinance establishing a district does
 9 not affect and may not be construed to authorize any decrease in
 10 the level of publicly funded tourism promotion services that existed
 11 before the district's establishment.
 12 Sec. 14. (a) The unit's fiscal officer shall establish a special
 13 fund, known as the tourism improvement fund, and shall deposit
 14 in the tourism improvement fund all special assessments received
 15 under this chapter and any other amounts received by the fiscal
 16 officer.
 17 (b) The unit's fiscal officer may transfer money in the tourism
 18 improvement fund to the district management association to be
 19 used only for the purposes specified in the ordinance establishing
 20 the district. Any bonds issued under this chapter are payable solely
 21 from special assessments deposited in the tourism improvement
 22 fund and other revenues of the district.
 23 (c) Any money earned from investment of money in the
 24 tourism improvement fund becomes a part of the tourism
 25 improvement fund.
 26 Sec. 15. (a) The unit shall contract with the district
 27 management association designated in the district plan to
 28 administer and implement the district's activities and
 29 improvements.
 30 (b) The district management association may be either an
 31 existing nonprofit corporation or a newly formed nonprofit
 32 corporation. If the district management association is a new
 33 nonprofit corporation created to manage the district, the certificate
 34 of incorporation or bylaws of the district management association
 35 shall provide for voting representation of owners within the
 36 district. If the district management association is an existing
 37 nonprofit corporation, the existing nonprofit corporation may
 38 create a committee of district owners or owners' representatives.
 39 (c) The district management association may make
 40 recommendations to the unit's legislative body with respect to any
 41 matter involving or relating to the district.
 42 (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



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that established the district.

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

(b) The report shall contain the following information:

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

(2) The activities and improvements to be provided for the ensuing year and an estimate of the cost of providing the activities and improvements for the ensuing year.

(3) The estimated amount of any surplus or deficit revenues to be carried over from the prior year.

Sec. 21. (a) Upon the dissolution or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the:

(1) levy of special assessments; or

(2) sale of assets acquired with the revenues of the district or from bond reserve funds or construction funds;

shall be refunded to the owners located within the district on or before the date of the district's dissolution or expiration without renewal.

(b) The amount of the refund provided under subsection (a) to an owner shall be determined by applying the method the district used under section 11 of this chapter to calculate the special assessment in the year:

(1) in which the district was dissolved or allowed to expire without renewal; or

(2) before the district was dissolved or allowed to expire without renewal if a special assessment had not been levied.

However, in lieu of providing a refund, the unit's legislative body may instead elect to spend any remaining revenues on activities and improvements specified in the ordinance that established the district before its dissolution or expiration without renewal.

(c) Any liabilities incurred by the district are not an obligation of the unit and are payable solely from the collection of special assessments deposited in the special fund under section 14 of this chapter and other revenues of the district.

Sec. 22. Notwithstanding any other provision of this chapter, special assessments levied to pay the principal and interest on any bonds issued under this chapter may not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

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1 SECTION 64. IC 36-7.5-4.5-18, AS AMENDED BY
2 P.L.236-2023, SECTION 194, IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is
4 established, the following apply to the administration and use of
5 incremental property tax revenue by the development authority, or a
6 redevelopment commission in the case of a district located in a cash
7 participant county, in the district:

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

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

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

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

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- 1 (B) To pay the principal of and interest on any obligations
- 2 that are incurred for the purpose of financing or refinancing
- 3 development in the district, including local public
- 4 improvements that are physically located in or physically
- 5 connected to the district.
- 6 (C) To establish, augment, or restore the debt service
- 7 reserve for bonds payable solely or in part from incremental
- 8 property tax revenue from the district.
- 9 (D) To pay premiums on the redemption before maturity of
- 10 bonds payable solely or in part from incremental property
- 11 tax revenue from the district.
- 12 (E) To make payments on leases payable from incremental
- 13 property tax revenue from the district.
- 14 (F) To reimburse a municipality in which a district is
- 15 located for expenditures made by the municipality for local
- 16 public improvements that are physically located in or
- 17 physically connected to the district.
- 18 (G) To reimburse a municipality for rentals paid by the
- 19 municipality for a building or parking facility that is
- 20 physically located in or physically connected to the district
- 21 under any lease entered into under IC 36-1-10.
- 22 (H) To pay expenses incurred by the development authority
- 23 for local public improvements that are in the district or
- 24 serving the district.

25 SECTION 6~~4~~⁵. IC 36-8-19-8.5, AS AMENDED BY
 26 P.L.255-2017, SECTION 47, IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) Participating
 28 units may agree to establish an equipment replacement fund under this
 29 section to be used to purchase fire protection equipment, including
 30 housing, that will be used to serve the entire territory. To establish the
 31 fund, the legislative bodies of each participating unit must adopt an
 32 ordinance (in the case of a county or municipality) or a resolution (in
 33 the case of a township or fire protection district), and the following
 34 requirements must be met:

- 35 (1) The ordinance or resolution is identical to the ordinances and
- 36 resolutions adopted by the other participating units under this
- 37 section.
- 38 (2) Before adopting the ordinance or resolution, each
- 39 participating unit must comply with the notice and hearing
- 40 requirements of IC 6-1.1-41-3.
- 41 (3) The ordinance or resolution authorizes the provider unit to
- 42 establish the fund.

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- 1 (4) The ordinance or resolution includes at least the following:
- 2 (A) The name of each participating unit and the provider
- 3 unit.
- 4 (B) An agreement to impose a uniform tax rate upon all of
- 5 the taxable property within the territory for the equipment
- 6 replacement fund.
- 7 (C) The contents of the agreement to establish the fund.

8 An ordinance or a resolution adopted under this section takes effect as
 9 provided in IC 6-1.1-41.

- 10 (b) If a fund is established, the participating units may agree to:
- 11 (1) impose a property tax to provide for the accumulation of
- 12 money in the fund to purchase fire protection equipment;
- 13 (2) incur debt to purchase fire protection equipment and impose
- 14 a property tax to retire the loan; or
- 15 (3) transfer an amount from the fire protection territory fund to
- 16 the fire equipment replacement fund not to exceed five percent
- 17 (5%) of the levy for the fire protection territory fund for that
- 18 year;

19 or any combination of these options.

20 (c) The property tax rate for the levy imposed under this section is
 21 **considered part of the maximum permissible ad valorem property**
 22 **tax levy and** may not exceed three and thirty-three hundredths cents
 23 (\$0.0333) per one hundred dollars (\$100) of assessed value. Before
 24 debt may be incurred, the fiscal body of a participating unit must adopt
 25 an ordinance (in the case of a county or municipality) or a resolution
 26 (in the case of a township or fire protection district) that specifies the
 27 amount and purpose of the debt. The ordinance or resolution must be
 28 identical to the other ordinances and resolutions adopted by the
 29 participating units. Except as provided in subsection (d), if debt is to be
 30 incurred for the purposes of a fund, the provider unit shall negotiate for
 31 and hold the debt on behalf of the territory. However, the participating
 32 units and the provider unit of the territory are jointly liable for any debt
 33 incurred by the provider unit for the purposes of the fund. The most
 34 recent adjusted value of taxable property for the entire territory must be
 35 used to determine the debt limit under IC 36-1-15-6. A provider unit
 36 shall comply with all general statutes and rules relating to the
 37 incurrence of debt under this subsection.

38 (d) A participating unit of a territory may, to the extent allowed by
 39 law, incur debt in the participating unit's own name to acquire fire
 40 protection equipment or other property that is to be owned by the
 41 participating unit. A participating unit that acquires fire protection
 42 equipment or other property under this subsection may afterward enter

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1 into an interlocal agreement under IC 36-1-7 with the provider unit to
 2 furnish the fire protection equipment or other property to the provider
 3 unit for the provider unit's use or benefit in accomplishing the purposes
 4 of the territory. A participating unit shall comply with all general
 5 statutes and rules relating to the incurrence of debt under this
 6 subsection.

7 (e) Money in the fund may be used by the provider unit only for
 8 those purposes set forth in the agreement among the participating units
 9 that permits the establishment of the fund.

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

- 14 (1) the establishment or reestablishment of a fund under this
 15 section;
- 16 (2) the imposing of a property tax for a fund under this section;
 17 and
- 18 (3) the increasing of a property tax rate for a fund under this
 19 section.

20 (g) Notwithstanding IC 6-1.1-18-12, if a fund established under
 21 this section is reestablished in the manner provided in IC 6-1.1-41, the
 22 property tax rate imposed for the fund in the first year after the fund is
 23 reestablished may not exceed three and thirty-three hundredths cents
 24 (\$0.0333) per one hundred dollars (\$100) of assessed value.

25 SECTION 6-~~5~~6. [EFFECTIVE JANUARY 1, 2024
 26 (RETROACTIVE)] **(a) This SECTION applies notwithstanding**
 27 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
 28 **provision.**

29 **(b) This SECTION applies to assessment dates after December**
 30 **31, 2023, and before January 1, 2026.**

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

- 33 **(1) that is owned, occupied, and used by a taxpayer that:**
 - 34 **(A) is exempt from federal income taxation under**
 - 35 **Section 501(c)(3) of the Internal Revenue Code; and**
 - 36 **(B) has a mission focused on preserving Indiana**
 - 37 **landmarks;**
- 38 **(2) that is used for one (1) or more of the purposes described**
 39 **in IC 6-1.1-10-16;**
- 40 **(3) that is a parcel that:**
 - 41 **(A) was transferred to the taxpayer before January 1,**
 - 42 **2024; and**



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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.**

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1 **(i) This SECTION expires June 30, 2027.**
2 SECTION 6~~6~~[7]. [EFFECTIVE JANUARY 1, 2026
3 (RETROACTIVE)] **(a) IC 6-1.1-10.2, as added by this act, applies to**
4 **assessment dates occurring after December 31, 2025, for property**
5 **taxes first due and payable in 2027.**
6 **(b) This SECTION expires July 1, 2030.**
7 SECTION 6~~7~~[8]. [EFFECTIVE JANUARY 1, 2026
8 (RETROACTIVE)] **(a) The amendments made by this act to:**
9 **(1) IC 6-1.1-12.6-2;**
10 **(2) IC 6-1.1-12.6-4;**
11 **(3) IC 6-1.1-12.6-8;**
12 **(4) IC 6-1.1-12.8-3;**
13 **(5) IC 6-1.1-12.8-4;**
14 **(6) IC 6-1.1-12.8-9; and**
15 **(7) IC 6-1.1-12.8-10;**
16 **apply to assessment dates occurring after December 31, 2025.**
17 **(b) This SECTION expires January 1, 2028.**
18 SECTION 6~~8~~[9]. [EFFECTIVE UPON PASSAGE] **(a)**
19 **IC 6-3.6-6-3 was amended by P.L.137-2024, SECTION 9, effective**
20 **July 1, 2024, until July 1, 2027, and by P.L.68-2025, SECTION 124,**
21 **effective July 1, 2027. The general assembly recognizes that this act**
22 **amends, effective July 1, 2026, the version of IC 6-3.6-6-3 amended**
23 **by P.L.137-2024, SECTION 9. The general assembly intends for**
24 **the version of IC 6-3.6-6-3:**
25 **(1) as amended by this act, to expire July 1, 2027; and**
26 **(2) as amended by P.L.68-2025, SECTION 124, to take effect**
27 **July 1, 2027.**
28 **(b) This SECTION expires December 31, 2027.**
29 SECTION ~~69~~[70]. **An emergency is declared for this act. [**
30 **]**

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