
HOUSE BILL No. 1210

AM121040 has been incorporated into introduced printing.

Synopsis: Department of local government finance.

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Introduced

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

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

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

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

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HOUSE BILL No. 1210

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

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

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

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1 **obligated person.**
2 **The term includes financial advisers, guaranteed investment**
3 **contract brokers, third party marketers, placement agents,**
4 **solicitors, finders, and swap advisers who engage in municipal**
5 **advisory activities.**

6 **(c) As used in this section, "municipal entity" refers to:**
7 **(1) a county;**
8 **(2) a township;**
9 **(3) a city;**
10 **(4) a town;**
11 **(5) a school corporation;**
12 **(6) a special taxing district;**
13 **(7) an instrumentality of an entity listed in subdivisions (1)**
14 **through (6); and**
15 **(8) any other entity required to sell bonds pursuant to**
16 **IC 5-1-11.**

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

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

24 **(f) As used in this section, "solicitation of a municipal entity or**
25 **obligated person" has the meaning set forth in 15 U.S.C.**
26 **78o-4(e)(9).**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

36 (2) Require that assessing officials:

37 (A) reevaluate the factors that affect value;

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

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

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



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

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

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

9 (b) The county assessor shall:

10 (1) maintain an electronic data file of:

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

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

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

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

19 (A) the legislative services agency; and

20 (B) the department of local government finance;

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

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

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

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

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

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

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

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

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1 approved by the legislative services agency.

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

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

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

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

21 and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(6) 50 IAC 5.1-9-1.

(7) 50 IAC 5.1-9-2.

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

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

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

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

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

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

Chapter 10.2. Exemptions for Indiana Nonprofit Senior Living Communities

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

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

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

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

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

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

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

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

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

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

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

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

14 SECTION 14. IC 6-1.1-12-16, AS AMENDED BY P.L.68-2025,
 15 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 16. (a) Except as
 17 provided in section 40.5 of this chapter, a surviving spouse may have
 18 the sum of eighteen thousand seven hundred twenty dollars (\$18,720)
 19 deducted from the assessed value of the surviving spouse's tangible
 20 property, or real property, mobile home not assessed as real property,
 21 or manufactured home not assessed as real property that the surviving
 22 spouse is buying under a contract that provides that the surviving
 23 spouse is to pay property taxes on the real property, mobile home, or
 24 manufactured home, if the contract or a memorandum of the contract
 25 is recorded in the county recorder's office, and if:

- 26 (1) the deceased spouse served in the military or naval forces of
- 27 the United States before November 12, 1918;
- 28 (2) the deceased spouse received an honorable discharge; and
- 29 (3) the surviving spouse:

30 (A) owns the real property, mobile home, or manufactured
 31 home; or

32 (B) is buying the real property, mobile home, or
 33 manufactured home under contract;

34 on the date the statement required by section 17 of this chapter
 35 is filed.

36 (b) A surviving spouse who receives the deduction provided by
 37 this section may not receive the deduction provided by section 13 of
 38 this chapter. However, the surviving spouse may receive any other
 39 deduction which the surviving spouse is entitled to by law.

40 (c) An individual who has sold real property, a mobile home not
 41 assessed as real property, or a manufactured home not assessed as real

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1 property to another person under a contract that provides that the
2 contract buyer is to pay the property taxes on the real property, mobile
3 home, or manufactured home may not claim the deduction provided
4 under this section against that real property, mobile home, or
5 manufactured home.

6 (d) This section applies only to property taxes imposed for an
7 assessment date before January 1, 2025.

8 (e) This section expires January 1, 2027.

9 SECTION 15. IC 6-1.1-12-17, AS AMENDED BY P.L.68-2025,
10 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17. (a) Except as
12 provided in section 17.8 of this chapter and subject to section 45 of this
13 chapter, a surviving spouse who desires to claim the deduction
14 provided by section 16 of this chapter must file a statement with the
15 auditor of the county in which the surviving spouse resides. To obtain
16 the deduction for a desired calendar year in which property taxes are
17 first due and payable, the statement must be completed, dated, and filed
18 with the county auditor on or before January 15 of the calendar year in
19 which the property taxes are first due and payable. The statement may
20 be filed in person or by mail. If mailed, the mailing must be postmarked
21 on or before the last day for filing. The statement shall contain:

22 (1) a sworn statement that the surviving spouse is entitled to the
23 deduction; and

24 (2) the record number and page where the contract or
25 memorandum of the contract is recorded, if the individual is
26 buying the real property on a contract that provides that the
27 individual is to pay property taxes on the real property.

28 In addition to the statement, the surviving spouse shall submit to the
29 county auditor for the auditor's inspection a letter or certificate from the
30 United States Department of Veterans Affairs establishing the service
31 of the deceased spouse in the military or naval forces of the United
32 States before November 12, 1918.

33 (b) This section applies only to property taxes imposed for an
34 assessment date before January 1, 2025.

35 (c) This section expires January 1, 2027.

36 SECTION 16. IC 6-1.1-12-17.8, AS AMENDED BY THE
37 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
38 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.8. (a) An individual
40 who receives a deduction provided under section 9 (before its
41 expiration), 11 (before its expiration), 13, 14, 16, ~~(before its~~

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1 ~~expiration~~); 17.4 (before its expiration), or 37 of this chapter in a
 2 particular year and who remains eligible for the deduction in the
 3 following year is not required to file a statement to apply for the
 4 deduction in the following year. However, for purposes of a deduction
 5 under section 37 of this chapter, the county auditor may, in the county
 6 auditor's discretion, terminate the deduction for assessment dates after
 7 January 15, 2012, if the individual does not comply with the
 8 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as
 9 determined by the county auditor, before January 1, 2013. Before the
 10 county auditor terminates the deduction because the taxpayer claiming
 11 the deduction did not comply with the requirement in
 12 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
 13 the county auditor shall mail notice of the proposed termination of the
 14 deduction to:

15 (1) the last known address of each person liable for any property
 16 taxes or special assessment, as shown on the tax duplicate or
 17 special assessment records; or

18 (2) the last known address of the most recent owner shown in the
 19 transfer book.

20 (b) An individual who receives a deduction provided under section
 21 9 (before its expiration), 11 (before its expiration), 13, 14, 16, ~~(before~~
 22 ~~its expiration)~~, or 17.4 (before its expiration) of this chapter in a
 23 particular year and who becomes ineligible for the deduction in the
 24 following year shall notify the auditor of the county in which the real
 25 property, mobile home, or manufactured home for which the individual
 26 claims the deduction is located of the individual's ineligibility in the
 27 year in which the individual becomes ineligible. An individual who
 28 becomes ineligible for a deduction under section 37 of this chapter
 29 shall notify the county auditor of the county in which the property is
 30 located in conformity with section 37 of this chapter.

31 (c) The auditor of each county shall, in a particular year, apply a
 32 deduction provided under section 9 (before its expiration), 11 (before
 33 its expiration), 13, 14, 16, ~~(before its expiration)~~; 17.4 (before its
 34 expiration), or 37 of this chapter to each individual who received the
 35 deduction in the preceding year unless the auditor determines that the
 36 individual is no longer eligible for the deduction.

37 (d) An individual who receives a deduction provided under section
 38 9 (before its expiration), 11 (before its expiration), 13, 14, 16, ~~(before~~
 39 ~~its expiration)~~; 17.4 (before its expiration), or 37 of this chapter for
 40 property that is jointly held with another owner in a particular year and
 41 remains eligible for the deduction in the following year is not required

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1 to file a statement to reapply for the deduction following the removal
2 of the joint owner if:

- 3 (1) the individual is the sole owner of the property following the
- 4 death of the individual's spouse; or
- 5 (2) the individual is the sole owner of the property following the
- 6 death of a joint owner who was not the individual's spouse.

7 If a county auditor terminates a deduction under section 9 of this
8 chapter (before its expiration), a deduction under section 37 of this
9 chapter, or a credit under IC 6-1.1-20.6-8.5 after June 30, 2017, and
10 before May 1, 2019, because the taxpayer claiming the deduction or
11 credit did not comply with a requirement added to this subsection by
12 P.L.255-2017 to reapply for the deduction or credit, the county auditor
13 shall reinstate the deduction or credit if the taxpayer provides proof that
14 the taxpayer is eligible for the deduction or credit and is not claiming
15 the deduction or credit for any other property.

16 (e) A trust entitled to a deduction under section 9 (before its
17 expiration), 11 (before its expiration), 13, 14, 16, ~~(before its~~
18 ~~expiration)~~, 17.4 (before its expiration), or 37 of this chapter for real
19 property owned by the trust and occupied by an individual in
20 accordance with section 17.9 of this chapter ~~(before its expiration)~~ is
21 not required to file a statement to apply for the deduction, if:

- 22 (1) the individual who occupies the real property receives a
- 23 deduction provided under section 9 (before its expiration), 11
- 24 (before its expiration), 13, 14, 16, ~~(before its expiration)~~, 17.4
- 25 (before its expiration), or 37 of this chapter in a particular year;
- 26 and
- 27 (2) the trust remains eligible for the deduction in the following
- 28 year.

29 However, for purposes of a deduction under section 37 of this chapter,
30 the individuals that qualify the trust for a deduction must comply with
31 the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015)
32 before January 1, 2013.

33 (f) A cooperative housing corporation (as defined in 26 U.S.C.
34 216) that is entitled to a deduction under section 37 of this chapter in
35 the immediately preceding calendar year for a homestead (as defined
36 in section 37 of this chapter) is not required to file a statement to apply
37 for the deduction for the current calendar year if the cooperative
38 housing corporation remains eligible for the deduction for the current
39 calendar year. However, the county auditor may, in the county auditor's
40 discretion, terminate the deduction for assessment dates after January
41 15, 2012, if the individual does not comply with the requirement in

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1 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
 2 county auditor, before January 1, 2013. Before the county auditor
 3 terminates a deduction because the taxpayer claiming the deduction did
 4 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
 5 January 1, 2015) before January 1, 2013, the county auditor shall mail
 6 notice of the proposed termination of the deduction to:

7 (1) the last known address of each person liable for any property
 8 taxes or special assessment, as shown on the tax duplicate or
 9 special assessment records; or

10 (2) the last known address of the most recent owner shown in the
 11 transfer book.

12 (g) An individual who:

13 (1) was eligible for a homestead credit under IC 6-1.1-20.9
 14 (repealed) for property taxes imposed for the March 1, 2007, or
 15 January 15, 2008, assessment date; or

16 (2) would have been eligible for a homestead credit under
 17 IC 6-1.1-20.9 (repealed) for property taxes imposed for the
 18 March 1, 2008, or January 15, 2009, assessment date if
 19 IC 6-1.1-20.9 had not been repealed;

20 is not required to file a statement to apply for a deduction under section
 21 37 of this chapter if the individual remains eligible for the deduction in
 22 the current year. An individual who filed for a homestead credit under
 23 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 24 the property is real property), or after January 1, 2008 (if the property
 25 is personal property), shall be treated as an individual who has filed for
 26 a deduction under section 37 of this chapter. However, the county
 27 auditor may, in the county auditor's discretion, terminate the deduction
 28 for assessment dates after January 15, 2012, if the individual does not
 29 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 30 1, 2015), as determined by the county auditor, before January 1, 2013.
 31 Before the county auditor terminates the deduction because the
 32 taxpayer claiming the deduction did not comply with the requirement
 33 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 34 2013, the county auditor shall mail notice of the proposed termination
 35 of the deduction to the last known address of each person liable for any
 36 property taxes or special assessment, as shown on the tax duplicate or
 37 special assessment records, or to the last known address of the most
 38 recent owner shown in the transfer book.

39 (h) If a county auditor terminates a deduction because the taxpayer
 40 claiming the deduction did not comply with the requirement in
 41 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,

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1 the county auditor shall reinstate the deduction if the taxpayer provides
2 proof that the taxpayer is eligible for the deduction and is not claiming
3 the deduction for any other property.

4 (i) A taxpayer described in section 37(r) of this chapter is not
5 required to file a statement to apply for the deduction provided by
6 section 37 of this chapter if the property owned by the taxpayer remains
7 eligible for the deduction for that calendar year.

8 **(j) A surviving spouse who received the deduction provided by**
9 **section 16 of this chapter for the January 1, 2024, assessment date**
10 **is not required to file a statement to reapply for the deduction to**
11 **receive the deduction for the January 1, 2025, assessment date. The**
12 **county auditor shall apply the deduction provided by section 16 of**
13 **this chapter for the surviving spouse for the January 1, 2025,**
14 **assessment date on the surviving spouse's property tax statement**
15 **for property taxes first due and payable in 2026.**

16 SECTION 17. IC 6-1.1-12-17.9, AS AMENDED BY
17 P.L.230-2025, SECTION 36, IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:
19 Sec. 17.9. A trust is entitled to a deduction under section 9 (before its
20 expiration), 11 (before its expiration), 13, 14, 16, ~~(before its~~
21 ~~expiration)~~, or 17.4 (before its expiration) of this chapter for real
22 property owned by the trust and occupied by an individual if the county
23 auditor determines that the individual:

24 (1) upon verification in the body of the deed or otherwise, has
25 either:

- 26 (A) a beneficial interest in the trust; or
- 27 (B) the right to occupy the real property rent free under the
- 28 terms of a qualified personal residence trust created by the
- 29 individual under United States Treasury Regulation
- 30 25.2702-5(c)(2); and

31 (2) otherwise qualifies for the deduction.

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

- 37 (1) "Dwelling" means any of the following:
 - 38 (A) Residential real property improvements that an
 - 39 individual uses as the individual's residence, limited to a
 - 40 single house and a single garage, regardless of whether the
 - 41 single garage is attached to the single house or detached
 - 42 from the single house.

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

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

7 (1) the assessment date; or

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

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

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

20 (1) for assessment dates before January 1, 2025, the lesser of:

21 (A) sixty percent (60%) of the assessed value of the real
 22 property, mobile home not assessed as real property, or
 23 manufactured home not assessed as real property; or

24 (B) forty-eight thousand dollars (\$48,000); or

25 (2) for assessment dates after December 31, 2024:

26 (A) in 2025, forty-eight thousand dollars (\$48,000);

27 (B) in 2026, forty thousand dollars (\$40,000);

28 (C) in 2027, thirty thousand dollars (\$30,000);

29 (D) in 2028, twenty thousand dollars (\$20,000); and

30 (E) in 2029, ten thousand dollars (\$10,000).

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

38 (d) A person who has sold real property, a mobile home not
 39 assessed as real property, or a manufactured home not assessed as real
 40 property to another person under a contract that provides that the
 41 contract buyer is to pay the property taxes on the real property, mobile

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1 home, or manufactured home may not claim the deduction provided
 2 under this section with respect to that real property, mobile home, or
 3 manufactured home.

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

10 (1) the parcel number or key number of the property and the
 11 name of the city, town, or township in which the property is
 12 located;

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

16 (3) the names of:

17 (A) the applicant and the applicant's spouse (if 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 an individual; or

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

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

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

34 if the applicant is not an individual; and

35 (4) either:

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

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

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- 1 (i) The last five (5) digits of the individual's driver's
- 2 license number.
- 3 (ii) The last five (5) digits of the individual's state
- 4 identification card number.
- 5 (iii) The last five (5) digits of a preparer tax
- 6 identification number that is obtained by the individual
- 7 through the Internal Revenue Service of the United
- 8 States.
- 9 (iv) If the individual does not have a driver's license, a
- 10 state identification card, or an Internal Revenue
- 11 Service preparer tax identification number, the last five
- 12 (5) digits of a control number that is on a document
- 13 issued to the individual by the United States
- 14 government.

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

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

- 27 (1) Complete, date, and file the certified statement described in
- 28 subsection (e) on or before January 15 of the calendar year in
- 29 which the property taxes are first due and payable.
- 30 (2) Satisfy any recording requirements on or before January 15
- 31 of the calendar year in which the property taxes are first due and
- 32 payable for a homestead described in subsection (a)(2).

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

- 36 (1) changes the use of the individual's property so that part or all
- 37 of the property no longer qualifies for the deduction under this
- 38 section; or
- 39 (2) is not eligible for a deduction under this section because the
- 40 person is already receiving:
- 41 (A) a deduction under this section in the person's name as

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1 an individual or a spouse; or
 2 (B) a deduction under the law of another state that is
 3 equivalent to the deduction provided by this section;
 4 the person must file a certified statement with the auditor of the county,
 5 notifying the auditor of the person's ineligibility, not more than sixty
 6 (60) days after the date of the change in eligibility. A person who fails
 7 to file the statement required by this subsection may, under
 8 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 9 due on the property if the person had filed the statement as required by
 10 this subsection plus a civil penalty equal to ten percent (10%) of the
 11 additional taxes due. The civil penalty imposed under this subsection
 12 is in addition to any interest and penalties for a delinquent payment that
 13 might otherwise be due. One percent (1%) of the total civil penalty
 14 collected under this subsection shall be transferred by the county to the
 15 department of local government finance for use by the department in
 16 establishing and maintaining the homestead property data base under
 17 subsection (j) and, to the extent there is money remaining, for any other
 18 purposes of the department. This amount becomes part of the property
 19 tax liability for purposes of this article.
 20 (h) The department of local government finance may adopt rules
 21 or guidelines concerning the application for a deduction under this
 22 section.
 23 (i) This subsection does not apply to property in the first year for
 24 which a deduction is claimed under this section if the sole reason that
 25 a deduction is claimed on other property is that the individual or
 26 married couple maintained a principal residence at the other property
 27 on the assessment date in the same year in which an application for a
 28 deduction is filed under this section or, if the application is for a
 29 homestead that is assessed as personal property, on the assessment date
 30 in the immediately preceding year and the individual or married couple
 31 is moving the individual's or married couple's principal residence to the
 32 property that is the subject of the application. Except as provided in
 33 subsection (l), the county auditor may not grant an individual or a
 34 married couple a deduction under this section if:
 35 (1) the individual or married couple, for the same year, claims
 36 the deduction on two (2) or more different applications for the
 37 deduction; and
 38 (2) the applications claim the deduction for different property.
 39 (j) The department of local government finance shall provide
 40 secure access to county auditors to a homestead property data base that
 41 includes access to the homestead owner's name and the numbers

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1 required from the homestead owner under subsection (e)(4) for the sole
 2 purpose of verifying whether an owner is wrongly claiming a deduction
 3 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 4 IC 6-3.6-5 (before its expiration). Each county auditor shall submit data
 5 on deductions applicable to the current tax year on or before March 15
 6 of each year in a manner prescribed by the department of local
 7 government finance.

8 (k) A county auditor may require an individual to provide evidence
 9 proving that the individual's residence is the individual's principal place
 10 of residence as claimed in the certified statement filed under subsection
 11 (e). The county auditor may limit the evidence that an individual is
 12 required to submit to a state income tax return, a valid driver's license,
 13 or a valid voter registration card showing that the residence for which
 14 the deduction is claimed is the individual's principal place of residence.
 15 The county auditor may not deny an application filed under section 44
 16 of this chapter because the applicant does not have a valid driver's
 17 license or state identification card with the address of the homestead
 18 property. The department of local government finance shall work with
 19 county auditors to develop procedures to determine whether a property
 20 owner that is claiming a standard deduction or homestead credit is not
 21 eligible for the standard deduction or homestead credit because the
 22 property owner's principal place of residence is outside Indiana.

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

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

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

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

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

40 (C) That neither the individual nor the individual's spouse
 41 has, for that same year, claimed a standard or substantially

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1 similar deduction for any property other than the property
 2 maintained as a principal place of residence by the
 3 respective individuals.

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

11 (m) If:

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

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

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

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

29 (1) either:

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

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

37 (2) on the assessment date:

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

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

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

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

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

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

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

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

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

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

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

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

41 (4) The individual residing on the property is a shareholder,

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1 partner, or member of the entity that owns the property.
 2 (5) The property was eligible for the standard deduction under
 3 this section on March 1, 2009.
 4 SECTION 19. IC 6-1.1-12-43, AS AMENDED BY P.L.230-2025,
 5 SECTION 37, AND AS AMENDED BY P.L.186-2025, SECTION
 6 292, AND AS AMENDED BY THE TECHNICAL CORRECTIONS
 7 BILL OF THE 2026 GENERAL ASSEMBLY, IS CORRECTED AND
 8 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 9 2025 (RETROACTIVE)]: Sec. 43. (a) For purposes of this section:
 10 (1) "benefit" refers to a deduction under section 9 (before its
 11 expiration), 11 (before its expiration), 13, ~~(before its expiration);~~
 12 14, ~~(before its expiration);~~ 16, ~~(before its expiration);~~ 17.4
 13 (before its expiration), 26 (before its expiration), 29 (before its
 14 expiration), 33 (before its expiration), 34 (before its expiration),
 15 37, or 37.5 of this chapter;
 16 (2) "closing agent" means a person that closes a transaction;
 17 (3) "customer" means an individual who obtains a loan in a
 18 transaction; and
 19 (4) "transaction" means a single family residential:
 20 (A) first lien purchase money mortgage transaction; or
 21 (B) refinancing transaction.
 22 (b) Before closing a transaction after December 31, 2004, a
 23 closing agent must provide to the customer the form referred to in
 24 subsection (c).
 25 (c) ~~Before June 1, 2004,~~ The department of local government
 26 finance shall prescribe the form to be provided by closing agents to
 27 customers under subsection (b). The department shall make the form
 28 available to closing agents, county assessors, county auditors, and
 29 county treasurers in hard copy and electronic form. County assessors,
 30 county auditors, and county treasurers shall make the form available to
 31 the general public. The form must:
 32 (1) on one (1) side:
 33 (A) list each benefit; and
 34 (B) list the eligibility criteria for each benefit;
 35 (2) on the other side indicate:
 36 (A) each action by and each type of documentation from the
 37 customer required to file for each benefit; and
 38 (B) sufficient instructions and information to permit a party
 39 to terminate a standard deduction under section 37 of this
 40 chapter on any property on which the party or the spouse of
 41 the party will no longer be eligible for the standard

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1 deduction under section 37 of this chapter after the party or
 2 the party's spouse begins to reside at the property that is the
 3 subject of the closing, including an explanation of the tax
 4 consequences and applicable penalties, if a party unlawfully
 5 claims a standard deduction under section 37 of this
 6 chapter; and

7 (3) be printed in one (1) of two (2) or more colors prescribed by
 8 the department of local government finance that distinguish the
 9 form from other documents typically used in a closing referred
 10 to in subsection (b).

11 (d) A closing agent:

12 (1) may reproduce the form referred to in subsection (c);
 13 (2) in reproducing the form, must use a print color prescribed by
 14 the department of local government finance; and
 15 (3) is not responsible for the content of the form referred to in
 16 subsection (c) and shall be held harmless by the department of
 17 local government finance from any liability for the content of the
 18 form.

19 *(e) This subsection applies to a transaction that is closed after*
 20 *December 31, 2009. In addition to providing the customer the form*
 21 *described in subsection (c) before closing the transaction, a closing*
 22 *agent shall do the following as soon as possible after the closing, and*
 23 *within the time prescribed by the department of insurance under*
 24 *IC 27-7-3-15.5:*

25 *(1) To the extent determinable, input the information described*
 26 *in IC 27-7-3-15.5(c)(2) into the system maintained by the*
 27 *department of insurance under IC 27-7-3-15.5.*

28 *(2) Submit the form described in IC 27-7-3-15.5(c) to the data*
 29 *base described in IC 27-7-3-15.5(c)(2)(D).*

30 *(f) A closing agent to which this section applies shall document*
 31 *the closing agent's compliance with this section with respect to each*
 32 *transaction in the form of verification of compliance signed by the*
 33 *customer:*

34 *(g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a*
 35 *civil penalty of twenty-five dollars (\$25) for each instance in which the*
 36 *closing agent fails to comply with this section with respect to a*
 37 *customer. The penalty:*

38 *(1) may be enforced by the state agency that has administrative*
 39 *jurisdiction over the closing agent in the same manner that the*
 40 *agency enforces the payment of fees or other penalties payable*
 41 *to the agency; and*

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- 1 (2) shall be paid into:
- 2 (A) the state general fund, if the closing agent fails to
- 3 comply with subsection (b); or
- 4 (B) the home ownership education account established by
- 5 IC 5-20-1-27, if the closing agent fails to comply with
- 6 subsection (e) in a transaction that is closed after
- 7 December 31, 2009.
- 8 (h) A closing agent is not liable for any other damages claimed by
- 9 a customer because of:
- 10 (1) the closing agent's mere failure to provide the appropriate
- 11 document to the customer under subsection (b); or
- 12 (2) with respect to a transaction that is closed after December
- 13 31, 2009, the closing agent's failure to input the information or
- 14 submit the form described in subsection (e).
- 15 (i) The state agency that has administrative jurisdiction over a
- 16 closing agent shall:
- 17 (1) examine the closing agent to determine compliance with this
- 18 section; and
- 19 (2) impose and collect penalties under subsection (g).
- 20 SECTION 20. IC 6-1.1-12-46, AS AMENDED BY P.L.230-2025,
- 21 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 22 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 46. (a) This section
- 23 applies to real property for an assessment date in 2011 or a later year
- 24 if:
- 25 (1) the real property is not exempt from property taxation for the
- 26 assessment date;
- 27 (2) title to the real property is transferred after the assessment
- 28 date and on or before the December 31 that next succeeds the
- 29 assessment date;
- 30 (3) the transferee of the real property applies for an exemption
- 31 under IC 6-1.1-11 for the next succeeding assessment date; and
- 32 (4) the county property tax assessment board of appeals
- 33 determines that the real property is exempt from property
- 34 taxation for that next succeeding assessment date.
- 35 (b) For the assessment date referred to in subsection (a)(1), real
- 36 property is eligible for any deductions for which the transferor under
- 37 subsection (a)(2) was eligible for that assessment date under the
- 38 following:
- 39 (1) IC 6-1.1-12-1 (before its repeal).
- 40 (2) IC 6-1.1-12-9 (before its expiration).
- 41 (3) IC 6-1.1-12-11 (before its expiration).

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- 1 (4) IC 6-1.1-12-13.
- 2 (5) IC 6-1.1-12-14.
- 3 (6) IC 6-1.1-12-16. ~~(before its expiration)~~.
- 4 (7) IC 6-1.1-12-17.4 (before its expiration).
- 5 (8) IC 6-1.1-12-18 (before its expiration).
- 6 (9) IC 6-1.1-12-22 (before its expiration).
- 7 (10) IC 6-1.1-12-37.
- 8 (11) IC 6-1.1-12-37.5.

9 (c) For the payment date applicable to the assessment date referred
 10 to in subsection (a)(1), real property is eligible for the credit for
 11 excessive residential property taxes under IC 6-1.1-20.6 for which the
 12 transferor under subsection (a)(2) would be eligible for that payment
 13 date if the transfer had not occurred.

14 SECTION 21. IC 6-1.1-12.6-2, AS ADDED BY P.L.70-2008,
 15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 2. (a) This section
 17 applies only to a model residence that is first assessed as:

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

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

21 (b) Except as provided in subsection (c) and sections 4, 5, and 6
 22 of this chapter, and subject to sections 7 and 8 of this chapter, an owner
 23 of a model residence is entitled to a deduction from the assessed value
 24 of the model residence in the amount of ~~fifty seventy-five~~ percent
 25 (~~50%~~) **(75%)** of the assessed value of the model residence for the
 26 following:

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

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

- 36 (1) after the assessment date of that year but before January 1 of
 37 the following year; and
- 38 (2) to a person who does not continue to use the real property as
 39 a model residence.

40 The county auditor shall immediately mail notice of the termination to
 41 the former owner, the property owner, and the township assessor. The

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1 county auditor shall remove the deduction from the tax duplicate and
2 shall notify the county treasurer of the termination of the deduction.

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

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

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

20 SECTION 23. IC 6-1.1-12.6-8, AS ADDED BY P.L.70-2008,
21 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 8. The aggregate number
23 of deductions claimed under this chapter for a particular assessment
24 date by the owners of model residences who are a part of an affiliated
25 group may not exceed ~~three (3)~~ **seven (7)**.

26 SECTION 24. IC 6-1.1-12.8-3, AS ADDED BY P.L.175-2011,
27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) This chapter
29 applies only to a residence in inventory that is first assessed as:

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

32 for the assessment date in 2012 or a later year.

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

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

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- 1 (2) The assessment date for which the residence in inventory is
- 2 first assessed as a fully completed structure.
- 3 (3) The two (2) assessment dates that immediately succeed the
- 4 assessment date referred to in subdivision (2).
- 5 (c) A deduction allowed for a residence in inventory under this
- 6 chapter for a particular assessment date is terminated if title to the
- 7 residence in inventory is transferred:
 - 8 (1) after the assessment date of that year but before January 1 of
 - 9 the following year; and
 - 10 (2) to a person for whom the real property does not qualify as a
 - 11 residence in inventory.
- 12 The county auditor shall immediately mail notice of the termination to
- 13 the former owner, the property owner, and the township assessor (or the
- 14 county assessor if there is no township assessor for the township). 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 (d) A deduction for a residence in inventory under this chapter
- 18 does not apply for a particular assessment date if the residence in
- 19 inventory is leased for any purpose for any part of the calendar year in
- 20 which the assessment date occurs.
- 21 SECTION 25. IC 6-1.1-12.8-4, AS AMENDED BY P.L. 136-2024,
- 22 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) A property owner
- 24 that qualifies for the deduction under this chapter and that desires to
- 25 receive the deduction for a calendar year must complete and date a
- 26 statement containing the information required by subsection (b) and
- 27 file the statement with the county auditor on or before January 15 of the
- 28 immediately succeeding calendar year. The township assessor, or the
- 29 county assessor if there is no township assessor for the township, shall
- 30 verify each statement filed under this section, and the county auditor
- 31 shall:
 - 32 (1) make the deductions; and
 - 33 (2) notify the county property tax assessment board of appeals of
 - 34 all deductions approved;
- 35 under this section.
- 36 (b) The statement referred to in subsection (a) must be verified
- 37 under penalties for perjury and must contain the following information:
 - 38 (1) The assessed value of the real property for which the person
 - 39 is claiming the deduction.
 - 40 (2) The full name and complete business address of the person
 - 41 claiming the deduction.

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

17 SECTION 26. IC 6-1.1-12.8-9, AS ADDED BY P.L.175-2011,
 18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Subject to section
 20 10 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 residences in inventory 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 4 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 residence in inventory 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 4 of this chapter for a residence in
 32 inventory 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 27. IC 6-1.1-12.8-10, AS ADDED BY P.L.175-2011,
 35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 10. The aggregate
 37 number of deductions claimed under this chapter for a particular
 38 assessment date by the owners of residences in inventory who are a part
 39 of an affiliated group may not exceed ~~three (3)~~ **seven (7)**.

40 SECTION 28. IC 6-1.1-17-1, AS AMENDED BY P.L.230-2025,
 41 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 1. (a) On or before
 2 August 1 of each year, the county auditor shall submit a certified
 3 statement of the assessed value for the ensuing year to the department
 4 of local government finance in the manner prescribed by the
 5 department.

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

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

18 (1) September 1;

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

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

25 (d) Before the county auditor makes an amendment under
 26 subsection (c), the county auditor must provide an opportunity for
 27 public comment on the proposed amendment at a public hearing. The
 28 county auditor must give notice of the hearing under IC 5-3-1. If the
 29 county auditor makes the amendment as a result of information
 30 provided to the county auditor by an assessor, the county auditor shall
 31 give notice of the public hearing to the assessor.

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

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

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

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

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

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

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

23 SECTION 29. IC 6-1.1-18-28 IS REPEALED [EFFECTIVE JULY
 24 1, 2026]. Sec. 28: (a) The executive of a township may, upon approval
 25 by the township fiscal body, submit a petition to the department of local
 26 government finance for an increase in the township's maximum
 27 permissible ad valorem property tax levy for its township firefighting
 28 and emergency services fund under IC 36-8-13-4(a)(1) or the levies for
 29 the township firefighting fund and township emergency services fund
 30 described in IC 36-8-13-4(a)(2); as applicable, for property taxes for
 31 any year for which a petition is submitted under this section:

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

41 **STEP ONE: Determine the percentage increase in the**
 42 **population, as determined by the township fiscal body and as**

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

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

10 (A) the STEP ONE percentage; minus

11 (B) six percent (6%);

12 expressed as a decimal:

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

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

15 (B) the STEP TWO result.

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

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

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

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

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

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

40 The calculation under this subsection shall be used in the determination
 41 of the township's maximum permissible ad valorem property tax levy

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1 under IC 36-8-13-4 for property taxes first due and payable in the first
2 year of the increase and thereafter.

3 SECTION 30. IC 6-1.1-18-29 IS REPEALED [EFFECTIVE JULY
4 1, 2026]. Sec. 29: (a) The board of trustees of a fire protection district
5 may, upon approval by the county legislative body, submit a petition to
6 the department of local government finance for an increase in the fire
7 protection district's maximum permissible ad valorem property tax levy
8 for property taxes first due and payable in 2021 or for any year
9 thereafter for which a petition is submitted under this section.

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

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

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

26 (A) the STEP ONE percentage, minus

27 (B) six percent (6%);

28 expressed as a decimal.

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

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

31 (B) the STEP TWO result.

32 STEP FOUR: Reduce the STEP THREE rate by any rate
33 increase in the fire protection district's property tax rate within
34 the immediately preceding ten (10) year period that was made
35 based on a petition submitted by the fire protection district under
36 this section.

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

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

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- 1 (2) an amount equal to the result of:
- 2 (A) the rate determined under the formula in subsection (b);
- 3 multiplied by
- 4 (B) the net assessed value of the fire protection district area
- 5 divided by one hundred (100):

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

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

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

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

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

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

38 expressed as a decimal.

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

- 40 (A) fifteen-hundredths (0.15); or
- 41 (B) the STEP TWO result.

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

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

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

13 (2) an amount equal to the result of:
 14 (A) the rate determined under the formula in subsection (b);
 15 multiplied by
 16 (B) the net assessed value of the fire protection territory
 17 area divided by one hundred (100).

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

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

30 (b) If under subsection (a) a civil taxing unit is not subject to the
 31 levy limits imposed under section 3 of this chapter for an ensuing
 32 calendar year, the civil taxing unit shall, ~~before June 30 of in~~ the
 33 immediately preceding year, ~~refer its proposed~~ **adopt its** budget, ad
 34 valorem property tax levy, and property tax rate for the ensuing
 35 calendar year ~~to and file the adopted budget, ad valorem property~~
 36 **tax levy, and property tax rate with** the department of local
 37 government finance ~~as required by IC 6-1.1-17-5.~~ The department of
 38 local government finance shall ~~make a final determination of review~~
 39 the civil taxing unit's budget, ad valorem property tax levy, and
 40 property tax rate for the ensuing calendar year ~~to ensure the adopted~~
 41 **budget is fundable based on the civil taxing unit's adopted tax levy**

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1 **and estimates of available revenues. If the adopted budget is**
2 **fundable, the department of local government finance shall certify**
3 **the adopted ad valorem property tax levy for the ensuing calendar**
4 **year.** However, a civil taxing unit may not impose a property tax levy
5 for an ensuing calendar year if the unit did not exist as of January 1 of
6 the immediately preceding year.

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

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

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

32 SECTION 34. IC 6-1.1-20.6-3, AS AMENDED BY P.L.68-2025,
33 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. As used in this
35 chapter, "property tax liability" means, for purposes of:

36 (1) this chapter, other than section 7.7 or 8.5 of this chapter,
37 liability for the tax imposed on property under this article
38 determined after application of all credits and deductions under
39 this article or IC 6-3.6, except the credit granted by section 7 or
40 7.5 of this chapter, but does not include any interest or penalty
41 imposed under this article;

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1 (2) section 8.5 of this chapter, liability for the tax imposed on
 2 property under this article determined after application of all
 3 credits and deductions under this article or IC 6-3.6, including
 4 the credits granted by sections 7, 7.5, and 7.7 of this chapter, but
 5 not including the credit granted under section 8.5 of this chapter
 6 or any interest or penalty imposed under this article; and
 7 (3) section 7.7 of this chapter, liability for the tax imposed on
 8 property under this article determined after application of all
 9 credits and deductions under this article or IC 6-3.6, including
 10 the credit granted by section 7 or 7.5 of this chapter, but not
 11 including **the credit granted under IC 6-3.6-6-3.1**, the credits
 12 granted under section 7.7 or 8.5 of this chapter or any interest or
 13 penalty imposed under this article.

14 SECTION 35. IC 6-1.1-20.6-9.5, AS AMENDED BY
 15 P.L.272-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9.5. (a)
 17 This section applies only to credits under this chapter against property
 18 taxes first due and payable after December 31, 2006.

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

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

27 SECTION 36. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.9-2024,
 28 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) This section applies to
 30 property taxes first due and payable after December 31, 2009.

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

32 (1) "Debt service obligations of a political subdivision" refers to:
 33 (A) the principal and interest payable during a calendar year
 34 on bonds; and
 35 (B) lease rental payments payable during a calendar year on
 36 leases;
 37 of a political subdivision payable from ad valorem property
 38 taxes.

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

40 (A) Property taxes that are exempted from the application
 41 of a credit granted under section 7 or 7.5 of this chapter by

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- 1 section 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter or another
 2 law.
- 3 (B) Property taxes imposed by a political subdivision to pay
 4 for debt service obligations of a political subdivision that
 5 are not exempted from the application of a credit granted
 6 under section 7 or 7.5 of this chapter by section 7(b), 7(c),
 7 7.5(b), or 7.5(c) of this chapter or any other law. Property
 8 taxes described in this clause are subject to the credit
 9 granted under section 7 or 7.5 of this chapter by section
 10 7(b), 7(c), 7.5(b), or 7.5(c) of this chapter regardless of their
 11 designation as protected taxes.
- 12 (3) "Unprotected taxes" refers to property taxes that are not
 13 protected taxes.
- 14 (c) Except as provided in section 9.9 of this chapter, the total
 15 amount of revenue to be distributed to the fund for which the protected
 16 taxes were imposed shall be determined as if no credit were granted
 17 under section 7, ~~or 7.5, or 7.7~~ of this chapter **or under IC 6-1.1-49**.
 18 The total amount of the loss in revenue resulting from the granting of
 19 credits under section 7, ~~or 7.5, or 7.7~~ of this chapter **or under**
 20 **IC 6-1.1-49** must reduce only the amount of unprotected taxes
 21 distributed to a fund using the following criteria:
- 22 (1) The reduction may be allocated in the amounts determined
 23 by the political subdivision using a combination of unprotected
 24 taxes of the political subdivision in those taxing districts in
 25 which the credit caused a reduction in protected taxes.
- 26 (2) The tax revenue and each fund of any other political
 27 subdivisions must not be affected by the reduction.
- 28 (d) When:
- 29 (1) the revenue that otherwise would be distributed to a fund
 30 receiving only unprotected taxes is reduced entirely under
 31 subsection (c) and the remaining revenue is insufficient for a
 32 fund receiving protected taxes to receive the revenue specified
 33 by subsection (c); or
- 34 (2) there is not a fund receiving only unprotected taxes from
 35 which to distribute revenue;
- 36 the revenue distributed to the fund receiving protected taxes must also
 37 be reduced. If the revenue distributed to a fund receiving protected
 38 taxes is reduced, the political subdivision may transfer money from one
 39 (1) or more of the other funds of the political subdivision to offset the
 40 loss in revenue to the fund receiving protected taxes. The transfer is
 41 limited to the amount necessary for the fund receiving protected taxes

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1 to receive the revenue specified under subsection (c). The amount
 2 transferred shall be specifically identified as a debt service obligation
 3 transfer for each affected fund.

4 SECTION 37. IC 6-1.1-20.6-9.9, AS AMENDED BY
 5 P.L.236-2023, SECTION 39, IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.9. (a) This subsection
 7 applies to credits allocated before January 1, 2024. If:

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

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

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

16 (2) the school corporation's:

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

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

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

23 (b) This subsection applies to credits allocated after December 31,
 24 2023. A school corporation is not eligible to allocate credits
 25 proportionately under this section, if a school corporation after July 1,
 26 2023, issues new bonds or enters into a new lease rental agreement for
 27 which the school corporation is imposing or will impose a debt service
 28 levy other than:

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

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

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

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1 STEP ONE: Determine the amount of credits granted under this
 2 chapter against the school corporation's levy for the school
 3 corporation's operations fund.
 4 STEP TWO: Determine the amount of the school corporation's
 5 levy that is attributable to new debt incurred after June 30, 2019,
 6 but is not attributable to the debt service levy described in
 7 subsection (a)(1)(B) (before January 1, 2024) or subsection
 8 (b)(2) (after December 31, 2023).
 9 STEP THREE: Determine the result of the school corporation's
 10 total levy minus any referendum levy.
 11 STEP FOUR: Subtract the STEP TWO amount from the STEP
 12 THREE amount.
 13 STEP FIVE: Divide the STEP FOUR amount by the STEP
 14 THREE amount expressed as a percentage.
 15 STEP SIX: Multiply the STEP ONE amount by the STEP FIVE
 16 percentage.
 17 STEP SEVEN: Determine the school corporation's levy for the
 18 school corporation's operations fund.
 19 STEP EIGHT: Divide the STEP SIX amount by the STEP
 20 SEVEN amount expressed as a percentage.
 21 The computation must be made by taking into account the requirements
 22 of section 9.8 of this chapter regarding protected taxes and the impact
 23 of credits granted under this chapter on the revenue to be distributed to
 24 the school corporation's operations fund for the particular year.
 25 (d) A school corporation that desires to be an eligible school
 26 corporation under this section must, before May 1 of the year for which
 27 it wants a determination, submit a written request for a certification by
 28 the department of local government finance that the computation of the
 29 school corporation's percentage under subsection (c) is correct. The
 30 department of local government finance shall, not later than June 1 of
 31 that year, determine whether the percentage computed by the school
 32 corporation under subsection (c) is accurate and certify whether the
 33 school corporation is eligible under this section.
 34 (e) For a school corporation that is certified as eligible under this
 35 section, the school corporation may allocate the effect of the credits
 36 granted under this chapter **and IC 6-1.1-49** proportionately among all
 37 the school corporation's property tax funds that are not exempt under
 38 section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund
 39 and without taking into account the requirements of section 9.8 of this
 40 chapter regarding protected taxes as determined under the following
 41 formula:

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



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 or 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;

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- 1 (3) remit the amounts owed from a final adjudication or civil
 2 penalties in favor of a political subdivision to the political
 3 subdivision;
 4 (4) notify the county auditor that the sale has been forfeited; and
 5 (5) file with the county recorder a certification identifying the
 6 forfeited sale that includes:
 7 (A) the date of the sale;
 8 (B) the name of the buyer;
 9 (C) the property identification number of the real property;
 10 (D) the real property's legal description; and
 11 (E) a statement that the sale has been forfeited and is null
 12 and void because the buyer was not eligible to purchase the
 13 real property.
- 14 Upon being notified that a sale has been forfeited, the county auditor
 15 shall issue a certificate to the county executive under section 6 of this
 16 chapter.
- 17 (c) A county treasurer may decline to forfeit a sale under this
 18 section because of inadvertence or mistake, lack of actual knowledge
 19 by the bidder, substantial harm to other parties with interests in the real
 20 property, or other substantial reasons. If the treasurer declines to forfeit
 21 a sale, the treasurer shall:
 22 (1) prepare a written statement explaining the reasons for
 23 declining to forfeit the sale;
 24 (2) retain the written statement as an official record; and
 25 (3) file with the county recorder a certification that includes:
 26 (A) the date of the sale;
 27 (B) the name of the buyer;
 28 (C) the property identification number of the real property;
 29 (D) the real property's legal description; and
 30 (E) a statement that the sale has not been forfeited and is
 31 valid.
- 32 (d) If a sale is forfeited under this section and the tract or item of
 33 real property is redeemed from the sale, the county auditor shall deposit
 34 the amount of the redemption into the county general fund and notify
 35 the county executive of the redemption. Upon being notified of the
 36 redemption, the county executive shall surrender the certificate to the
 37 county auditor.
- 38 (e) If a county treasurer does not take action under subsection (b)
 39 within forty-five (45) days of the date the county treasurer determines
 40 or is notified that a sale should be forfeited, the person is deemed to be
 41 an eligible purchaser for that sale of that real property.

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

4 SECTION 42. IC 6-1.1-24-5.9 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 5.9. (a) As**
 7 **used in this section, "business entity" refers to any of the following:**

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

23 (b) An individual or business entity may not bid or purchase
 24 a tract or item of real property offered for sale under section 5 or
 25 6.1 of this chapter if:

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

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

35 SECTION 43. IC 6-1.1-24-9, AS AMENDED BY P.L.26-2023,
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Immediately after
 38 a tax sale purchaser pays the bid, as evidenced by the receipt of the
 39 county treasurer, or immediately after the county acquires a lien under
 40 section 6 of this chapter, the county auditor shall deliver a certificate
 41 of sale to the purchaser or to the county or to the city. The certificate
 42 shall be signed by the auditor and registered in the auditor's office. The

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

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1 subsection (c) is not valid unless the county auditor first determines the
 2 person is eligible to receive the assignment. If the county auditor
 3 determines the person is eligible to receive the assignment, the
 4 following requirements apply:

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

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

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

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

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

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

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

26 SECTION 44. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019,
 27 SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68,
 28 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) A declaratory ordinance
 30 adopted under section 2 of this chapter and confirmed under section 3
 31 of this chapter must 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. The allocation provision must apply to the
 34 entire economic development district. The allocation provisions must
 35 require that any property taxes subsequently levied by or for the benefit
 36 of any public body entitled to a distribution of property taxes on taxable
 37 property in the economic development district be allocated and
 38 distributed as follows:

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

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



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1 date with respect to which the allocation and distribution is
 2 made; or
 3 (B) the base assessed value;
 4 shall be allocated to and, when collected, paid into the funds of
 5 the respective taxing units. However, if the effective date of the
 6 allocation provision of a declaratory ordinance is after March 1,
 7 1985, and before January 1, 1986, and if an improvement to
 8 property was partially completed on March 1, 1985, the unit may
 9 provide in the declaratory ordinance that the taxes attributable to
 10 the assessed value of the property as finally determined for
 11 March 1, 1984, shall be allocated to and, when collected, paid
 12 into the funds of the respective taxing units.
 13 (2) Except as otherwise provided in this section, part or all of the
 14 property tax proceeds in excess of those described in subdivision
 15 (1), as specified in the declaratory ordinance, shall be allocated
 16 to the unit for the economic development district and, when
 17 collected, paid into a special fund established by the unit for that
 18 economic development district that may be used only to pay the
 19 principal of and interest on obligations owed by the unit under
 20 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
 21 industrial development programs in, or serving, that economic
 22 development district. The amount not paid into the special fund
 23 shall be paid to the respective units in the manner prescribed by
 24 subdivision (1).
 25 (3) When the money in the fund is sufficient to pay all
 26 outstanding principal of and interest (to the earliest date on
 27 which the obligations can be redeemed) on obligations owed by
 28 the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the
 29 financing of industrial development programs in, or serving, that
 30 economic development district, money in the special fund in
 31 excess of that amount shall be paid to the respective taxing units
 32 in the manner prescribed by subdivision (1).
 33 (b) Property tax proceeds allocable to the economic development
 34 district under subsection (a)(2) must, subject to subsection (a)(3), be
 35 irrevocably pledged by the unit for payment as set forth in subsection
 36 (a)(2).
 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 economic development district that is annexed by any taxing unit after
 40 the effective date of the allocation provision of the declaratory
 41 ordinance 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) Notwithstanding any other law, each assessor shall, upon
 5 petition of the fiscal body, reassess the taxable property situated upon
 6 or in, or added to, the economic development district effective on the
 7 next assessment date after the petition.
- 8 (e) Notwithstanding any other law, the assessed value of all
 9 taxable property in the economic development district, for purposes of
 10 tax limitation, property tax replacement, and formulation of the budget,
 11 tax rate, and tax levy for each political subdivision in which the
 12 property is located, is the lesser of:
- 13 (1) the assessed value of the property as valued without regard
 14 to this section; or
 15 (2) the base assessed value.
- 16 (f) 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 a group of parcels under a
 20 reassessment plan prepared under IC 6-1.1-4-4.2 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 one (1) time to neutralize any effect of the reassessment
 24 on the property tax proceeds allocated to the district under this section.
 25 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
 26 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 27 **by the department of local government finance**, adjust the base
 28 assessed value to neutralize any effect of the annual adjustment on the
 29 property tax proceeds allocated to the district under this section.
 30 However, the adjustments under this subsection may not include the
 31 effect of property tax abatements under IC 6-1.1-12.1.
- 32 (g) **The county auditor shall, in the manner prescribed by the**
 33 **department of local government finance, submit the forms**
 34 **required by this section to the department of local government**
 35 **finance no later than July 15 of each year. If the county auditor**
 36 **fails to submit the forms by the deadline under this subsection, the**
 37 **county auditor shall allocate five percent (5%) of the assessed**
 38 **value in the allocation area that is used to calculate the allocation**
 39 **and distribution of allocated tax proceeds under this section to the**
 40 **respective taxing units. However, if the district notifies the county**
 41 **auditor and the department of local government finance, no later**
 42 **than July 15, that it is unable to meet its debt service obligations**

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

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

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

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

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

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

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

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

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



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

4 SECTION 45. IC 6-1.1-41-4, AS AMENDED BY P.L.38-2021,
5 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 4. (a) A political subdivision that in any year
7 adopts a proposal under this chapter must submit the proposal to the
8 department of local government finance:

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

11 (b) Subject to subsections (c) and (d), the department of local
12 government finance shall certify to the political subdivision **during the**
13 **certification process under IC 6-1.1-17-16** that the proposal has a
14 property tax rate that does not exceed the maximum property tax rate
15 allowed by the applicable statute described in section 1 of this chapter.
16 If the proposal has a property tax rate that exceeds the maximum
17 property tax rate allowed by the applicable statute described in section
18 1 of this chapter, the department of local government finance shall
19 certify the proposal at a rate equal to the maximum property tax rate
20 allowed by the applicable statute under section 1 of this chapter.

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

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

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

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

34 SECTION 46. IC 6-3.6-3-2, AS AMENDED BY P.L.159-2020,
35 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]: Sec. 2. (a) An adopting body or, if authorized by this
37 article, another governmental entity that is not an adopting body, may
38 take an action under this article only by ordinance, unless this article
39 permits the action to be taken by resolution.

40 (b) The department of local government finance, in consultation
41 with the department of state revenue, may make electronically available

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1 uniform notices, ordinances, and resolutions that an adopting body or
 2 other governmental entity may use to take an action under this article.
 3 ~~An adopting body or other governmental entity may submit a proposed~~
 4 ~~notice, ordinance, or resolution to the department of local government~~
 5 ~~finance for review not later than thirty (30) days prior to the date that~~
 6 ~~the adopting body or governing body intends to submit the notice,~~
 7 ~~adopting ordinance or resolution, and vote results on an ordinance or~~
 8 ~~resolution under subsection (d). If the adopting body or other~~
 9 ~~governmental entity wishes to submit the proposed notice, ordinance,~~
 10 ~~or resolution to the department of local government finance for review,~~
 11 ~~the adopting body or other governmental entity shall submit the~~
 12 ~~proposed notice, ordinance, or resolution to the department of local~~
 13 ~~government finance on the prescribed forms. The department of local~~
 14 ~~government finance shall provide to the submitting entity a~~
 15 ~~determination of the appropriateness of the proposed notice, ordinance,~~
 16 ~~or resolution, including recommended modifications, within thirty (30)~~
 17 ~~days of receiving the proposed notice, ordinance, or resolution.~~

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

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

32 SECTION 47. IC 6-3.6-6-3, AS AMENDED BY P.L.137-2024,
 33 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2026]: Sec. 3. (a) Revenue raised from a tax imposed under
 35 this chapter shall be treated as follows:

36 (1) To make the following distributions:

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

41 (B) If an ordinance described in section 2.6 of this chapter

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1 is in effect in a county, to make a distribution to the county
 2 equal to the amount of revenue generated by the rate
 3 imposed under section 2.6 of this chapter.

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

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

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

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

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

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

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

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

40 (b) In the case of a civil taxing unit that has pledged the tax from
 41 additional revenue for the payment of bonds, leases, or other
 42 obligations as reported by the civil taxing unit under IC 5-1-18, the

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1 adopting body may not, under section 4 of this chapter, reduce the
 2 proportional allocation of the additional revenue that was allocated in
 3 the preceding year if the reduction for that year would result in an
 4 amount less than the amount necessary for the payment of bonds,
 5 leases, or other obligations payable or required to be deposited in a
 6 sinking fund or other reserve in that year for the bonds, leases, or other
 7 obligations for which the tax from additional revenue has been pledged.
 8 To inform an adopting body with regard to allocations that affect the
 9 payment of bonds, leases, or other obligations, a taxing unit may
 10 provide the adopting body with information regarding any outstanding
 11 bonds, leases, or other obligations that are secured by additional
 12 revenue. The information must be provided before the date of the
 13 public hearing at which the adopting body may change the allocation
 14 of additional revenue under section 4 of this chapter.

15 SECTION 48. IC 6-6-5-5, AS AMENDED BY P.L.230-2025,
 16 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5. A person that owns a
 18 vehicle and that is entitled to a property tax deduction under
 19 IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16 (~~before its~~
 20 ~~expiration~~) is entitled to a credit against the vehicle excise tax as
 21 follows: Any remaining deduction from assessed valuation to which the
 22 person is entitled, applicable to property taxes payable in the year in
 23 which the excise tax imposed by this chapter is due, after allowance of
 24 the deduction on real estate and personal property owned by the person,
 25 shall reduce the vehicle excise tax in the amount of two dollars (\$2) on
 26 each one hundred dollars (\$100) of taxable value or major portion
 27 thereof. The county auditor shall, upon request, furnish a certified
 28 statement to the person verifying the credit allowable under this
 29 section, and the statement shall be presented to and retained by the
 30 bureau to support the credit.

31 SECTION 49. IC 6-6-5-5.2, AS AMENDED BY P.L.230-2025,
 32 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5.2. (a) This section
 34 applies to a registration year beginning after December 31, 2013.

35 (b) Subject to subsection (d), an individual may claim a credit
 36 against the tax imposed by this chapter upon a vehicle owned by the
 37 individual if the individual is eligible for the credit under any of the
 38 following:

- 39 (1) The individual meets all the following requirements:
 40 (A) The individual served in the military or naval forces of
 41 the United States during any of its wars.

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- 1 (B) The individual received an honorable discharge.
- 2 (C) The individual has a disability with a service connected
- 3 disability of ten percent (10%) or more.
- 4 (D) The individual's disability is evidenced by:
- 5 (i) a pension certificate, an award of compensation, or
- 6 a disability compensation check issued by the United
- 7 States Department of Veterans Affairs; or
- 8 (ii) a certificate of eligibility issued to the individual by
- 9 the Indiana department of veterans' affairs after the
- 10 Indiana department of veterans' affairs has determined
- 11 that the individual's disability qualifies the individual
- 12 to receive a credit under this section.
- 13 (E) The individual does not own property to which a
- 14 property tax deduction may be applied under
- 15 IC 6-1.1-12-13.
- 16 (2) The individual meets all the following requirements:
- 17 (A) The individual served in the military or naval forces of
- 18 the United States for at least ninety (90) days.
- 19 (B) The individual received an honorable discharge.
- 20 (C) The individual either:
- 21 (i) has a total disability; or
- 22 (ii) is at least sixty-two (62) years of age and has a
- 23 disability of at least ten percent (10%).
- 24 (D) The individual's disability is evidenced by:
- 25 (i) a pension certificate or an award of compensation
- 26 issued by the United States Department of Veterans
- 27 Affairs; or
- 28 (ii) a certificate of eligibility issued to the individual by
- 29 the Indiana department of veterans' affairs after the
- 30 Indiana department of veterans' affairs has determined
- 31 that the individual's disability qualifies the individual
- 32 to receive a credit under this section.
- 33 (E) The individual does not own property to which a
- 34 property tax deduction may be applied under
- 35 IC 6-1.1-12-14.
- 36 (3) The individual meets both of the following requirements:
- 37 (A) The individual is the surviving spouse of any of the
- 38 following:
- 39 (i) An individual who would have been eligible for a
- 40 credit under this section if the individual had been
- 41 alive in 2013 and this section had been in effect in

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- 1 2013.
- 2 (ii) An individual who received a credit under this
- 3 section in the previous calendar year.
- 4 (iii) A World War I veteran.
- 5 (B) The individual does not own property to which a
- 6 property tax deduction may be applied under
- 7 IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16. ~~(before~~
- 8 ~~its expiration).~~
- 9 (c) The amount of the credit that may be claimed under this
- 10 section is equal to the lesser of the following:
- 11 (1) The amount of the excise tax liability for the individual's
- 12 vehicle as determined under section 3 or 3.5 of this chapter, as
- 13 applicable.
- 14 (2) Seventy dollars (\$70).
- 15 (d) The maximum number of motor vehicles for which an
- 16 individual may claim a credit under this section is two (2).
- 17 (e) An individual may not claim a credit under both:
- 18 (1) this section; and
- 19 (2) section 5 of this chapter.
- 20 (f) The credit allowed by this section must be claimed on a form
- 21 prescribed by the bureau. An individual claiming the credit must attach
- 22 to the form an affidavit from the county auditor stating that the
- 23 claimant does not own property to which a property tax deduction may
- 24 be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16.
- 25 ~~(before its expiration).~~
- 26 SECTION 50. IC 6-9-32-3, AS AMENDED BY P.L.9-2024,
- 27 SECTION 245, IS AMENDED TO READ AS FOLLOWS
- 28 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county
- 29 may levy a tax on every person engaged in the business of renting or
- 30 furnishing, for periods of less than thirty (30) days, any room or rooms,
- 31 lodgings, or accommodations in any:
- 32 (1) hotel;
- 33 (2) motel;
- 34 (3) boat motel;
- 35 (4) inn; or
- 36 (5) tourist cabin;
- 37 located in the county.
- 38 (b) The tax does not apply to gross income received in a
- 39 transaction in which a person rents a room, lodging, or
- 40 accommodations for a period of thirty (30) days or more.
- 41 (c) The tax may not exceed the rate of ~~five percent (5%)~~ **eight**

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1 **percent (8%)** on the gross retail income derived from lodging income
2 only and is in addition to the state gross retail tax imposed under
3 IC 6-2.5.

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

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

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

25 SECTION 51. IC 8-22-3.5-11, AS AMENDED BY P.L.86-2018,
26 SECTION 144, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The state board of accounts
28 and the department of local government finance shall make the rules
29 and prescribe the forms and procedures that the state board of accounts
30 and department consider appropriate for the implementation of this
31 chapter.

32 (b) After each reassessment under IC 6-1.1-4, 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 (as defined in section 9 of this chapter) one (1) time to
36 neutralize any effect of the reassessment on the property tax proceeds
37 allocated to the airport development zone's special funds under section
38 9 of this chapter.

39 (c) After each annual adjustment under IC 6-1.1-4-4.5, the
40 ~~department of local government finance~~ **county auditor** shall, **on**
41 **forms prescribed by the department of local government finance**,

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1 adjust the base assessed value (as defined in section 9 of this chapter)
2 to neutralize any effect of the annual adjustment on the property tax
3 proceeds allocated to the airport development zone's special funds
4 under section 9 of this chapter.

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

23 SECTION 52. IC 36-1-12-3, AS AMENDED BY P.L.86-2025,
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) The board may
26 purchase or lease materials in the manner provided in IC 5-22 and
27 perform any public work, by means of its own workforce, without
28 awarding a contract whenever the cost of that public work project is
29 estimated to be less than three hundred seventy-five thousand dollars
30 (\$375,000), adjusted annually by ~~the~~ **an amount equal to the**
31 **unadjusted** percentage change **for all items** in the Consumer Price
32 Index for all Urban Consumers as published by the United States
33 Bureau of Labor Statistics **for the immediately preceding year. On**
34 **or before January 15, 2026, and on or before January 1 of each**
35 **year thereafter**, the department of local government finance shall
36 annually publish the adjusted cost estimate threshold for the current
37 year, determined in the manner required by this subsection, ~~on the~~
38 ~~department's website:~~ **in the Indiana Register under IC 4-22-7-7. For**
39 **purposes of applying the annual cost estimate threshold**
40 **adjustment, the annual percentage change is applied to the**
41 **adjusted amount for the immediately preceding year.**

42 **(b) Before a board may perform any work under this section by**

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1 means of its own workforce, the political subdivision or agency must
 2 have a group of employees on its staff who are capable of performing
 3 the construction, maintenance, and repair applicable to that work.

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

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

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

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

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

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

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

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

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

37 ~~(f)~~ **(f)** A board of aviation commissioners or an airport authority
 38 board may purchase or lease materials in the manner provided in
 39 IC 5-22 and perform any public work by means of its own workforce
 40 and owned or leased equipment, in the construction, maintenance, and
 41 repair of any airport roadway, runway, taxiway, or aircraft parking

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1 apron whenever the cost of that public work project is estimated to be
2 less than one hundred fifty thousand dollars (\$150,000).

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

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

18 SECTION 53. IC 36-1-12.5-10, AS AMENDED BY
19 P.L.233-2015, SECTION 331, IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. The governing body
21 shall

22 ~~(1)~~ **(1)** provide submit the following to the director of the
23 department of local government ~~finance~~ **finance's computer**
24 **gateway** not more than sixty (60) days after the date of
25 execution of the guaranteed savings contract:

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

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

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

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

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

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

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

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

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

37 ~~(2)~~ **(2)** annually report to the director of the department of local
38 government ~~finance~~; in accordance with ~~procedures established~~
39 ~~by the department~~; the savings resulting in the previous year
40 ~~from the guaranteed savings contract or utility efficiency~~
41 ~~program~~.

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1 SECTION 54. IC 36-1-12.5-12, AS AMENDED BY
2 P.L.233-2015, SECTION 332, IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) An
4 improvement that is not causally connected to a conservation measure
5 may be included in a guaranteed savings contract if:

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

9 (2) either:

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

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

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

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

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

21 SECTION 55. IC 36-7-14-39, AS AMENDED BY P.L.181-2025,
22 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 39. (a) As used in this section:

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

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

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

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- 1 determined for the current assessment date.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in
- 3 a declaratory resolution or an amendment to a declaratory
- 4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally
- 6 determined for the assessment date immediately preceding
- 7 the effective date of the allocation provision of the
- 8 declaratory resolution, as adjusted under subsection (h);
- 9 plus
- 10 (B) to the extent that it is not included in clause (A), the net
- 11 assessed value of property that is assessed as residential
- 12 property under the rules of the department of local
- 13 government finance, as finally determined for the current
- 14 assessment date.
- 15 (3) If:
- 16 (A) an allocation provision adopted before June 30, 1995,
- 17 in a declaratory resolution or an amendment to a declaratory
- 18 resolution establishing a redevelopment project area expires
- 19 after June 30, 1997; and
- 20 (B) after June 30, 1997, a new allocation provision is
- 21 included in an amendment to the declaratory resolution;
- 22 the net assessed value of all the property as finally determined
- 23 for the assessment date immediately preceding the effective date
- 24 of the allocation provision adopted after June 30, 1997, as
- 25 adjusted under subsection (h).
- 26 (4) Except as provided in subdivision (5), for all other allocation
- 27 areas, the net assessed value of all the property as finally
- 28 determined for the assessment date immediately preceding the
- 29 effective date of the allocation provision of the declaratory
- 30 resolution, as adjusted under subsection (h).
- 31 (5) If an allocation area established in an economic development
- 32 area before July 1, 1995, is expanded after June 30, 1995, the
- 33 definition in subdivision (1) applies to the expanded part of the
- 34 area added after June 30, 1995.
- 35 (6) If an allocation area established in a redevelopment project
- 36 area before July 1, 1997, is expanded after June 30, 1997, the
- 37 definition in subdivision (2) applies to the expanded part of the
- 38 area added after June 30, 1997.
- 39 Except as provided in section 39.3 of this chapter, "property taxes"
- 40 means taxes imposed under IC 6-1.1 on real property. However, upon
- 41 approval by a resolution of the redevelopment commission adopted

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

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

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

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

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

20 (B) the base assessed value;

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

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

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

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

36 STEP TWO: Subtract the STEP ONE amount from one
 37 (1).

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

41 (B) to the extent not otherwise included in subdivisions (1)

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1 and (3), the amount determined under STEP THREE of
 2 clause (A) shall be allocated to and distributed in the form
 3 of an allocated property tax revenue pass back to the
 4 participating unit of the fire protection territory for the
 5 assessment date with respect to which the allocation is
 6 made.

7 However, if the redevelopment commission determines that it is
 8 unable to meet its debt service obligations with regards to the
 9 allocation area without all or part of the allocated property tax
 10 revenue pass back to the participating unit of a fire protection
 11 area under this subdivision, then the allocated property tax
 12 revenue pass back under this subdivision shall be reduced by the
 13 amount necessary for the redevelopment commission to meet its
 14 debt service obligations of the allocation area. The calculation
 15 under this subdivision must be made by the redevelopment
 16 commission in collaboration with the county auditor and the
 17 applicable fire protection territory. Any calculation determined
 18 according to clause (A) must be submitted to the department of
 19 local government finance in the manner prescribed by the
 20 department of local government finance. The department of local
 21 government finance shall verify the accuracy of each calculation.
 22 (3) The excess of the proceeds of the property taxes imposed for
 23 the assessment date with respect to which the allocation and
 24 distribution is made that are attributable to taxes imposed after
 25 being approved by the voters in a referendum or local public
 26 question conducted after April 30, 2010, not otherwise included
 27 in subdivisions (1) and (2) shall be allocated to and, when
 28 collected, paid into the funds of the taxing unit for which the
 29 referendum or local public question was conducted.

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

- 36 (A) Pay the principal of and interest on any obligations
- 37 payable solely from allocated tax proceeds which are
- 38 incurred by the redevelopment district for the purpose of
- 39 financing or refinancing the redevelopment of that
- 40 allocation area.
- 41 (B) Establish, augment, or restore the debt service reserve

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

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

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

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

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

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

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

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

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of

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

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

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

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

31 (C) If:

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

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

40 the commission shall submit to the legislative body of the
 41 unit its determination of the excess assessed value that the
 42 commission proposes to allocate to the respective taxing

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

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

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

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

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

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

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

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

26 Assessed value increases attributable to the application of an abatement
 27 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 28 value of an allocation area. ~~The department of local government~~
 29 ~~finance may prescribe procedures for county and township officials to~~
 30 ~~follow to assist the department in making the adjustments.~~ **The county**
 31 **auditor shall, in the manner prescribed by the department of local**
 32 **government finance, submit the forms required by this subsection**
 33 **to the department of local government finance no later than July**
 34 **15 of each year. If the county auditor fails to submit the forms by**
 35 **the deadline under this subsection, the county auditor shall allocate**
 36 **five percent (5%) of the assessed value in the allocation area that**
 37 **is used to calculate the allocation and distribution of allocated tax**
 38 **proceeds under this section to the respective taxing units. However,**
 39 **if the redevelopment commission notifies the county auditor and**
 40 **the department of local government finance, no later than July 15,**
 41 **that it is unable to meet its debt service obligations with regard to**
 42 **the allocation area without all or part of the allocated tax proceeds**



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

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

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

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

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

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

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

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

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

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

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

37 SECTION 56. IC 36-7-14-48, AS AMENDED BY P.L.236-2023,
 38 SECTION 180, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) Notwithstanding section
 40 39(a) of this chapter, with respect to the allocation and distribution of
 41 property taxes for the accomplishment of a program adopted under
 42 section 45 of this chapter, "base assessed value" means, subject to



1 section 39(j) of this chapter, the net assessed value of all of the
 2 property, other than personal property, as finally determined for the
 3 assessment date immediately preceding the effective date of the
 4 allocation provision, as adjusted under section 39(h) of this chapter.

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

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

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

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

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

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

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

26 (7) For property taxes first due and payable before January 1,
 27 2009, providing each taxpayer in the allocation area a credit for
 28 property tax replacement as determined under subsections (c)
 29 and (d). However, the commission may provide this credit only
 30 if the municipal legislative body (in the case of a redevelopment
 31 commission established by a municipality) or the county
 32 executive (in the case of a redevelopment commission
 33 established by a county) establishes the credit by ordinance
 34 adopted in the year before the year in which the credit is
 35 provided.

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

40 STEP ONE: Determine that part of the sum of the amounts
 41 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)

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1 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
 2 attributable to the taxing district.

3 STEP TWO: Divide:

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

9 (B) the amount determined under STEP ONE.

10 STEP THREE: Multiply:

11 (A) the STEP TWO quotient; by

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

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

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

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

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

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

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

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- 1 (1) Accomplish one (1) or more of the actions set forth in section
- 2 39(b)(4)(A) through 39(b)(4)(H) and 39(b)(4)(J) of this chapter
- 3 for property that is residential in nature.
- 4 (2) Reimburse the county or municipality for expenditures made
- 5 by the county or municipality in order to accomplish the housing
- 6 program in that allocation area.
- 7 The allocation fund may not be used for operating expenses of the
- 8 commission.
- 9 (f) Notwithstanding section 39(b) of this chapter, the commission
- 10 shall, relative to the allocation fund established under section 39(b) of
- 11 this chapter for an allocation area for a program adopted under section
- 12 45 of this chapter, do the following before June 15 of each year:
- 13 (1) Determine the amount, if any, by which the assessed value of
- 14 the taxable property in the allocation area for the most recent
- 15 assessment date minus the base assessed value, when multiplied
- 16 by the estimated tax rate of the allocation area, will exceed the
- 17 amount of assessed value needed to produce the property taxes
- 18 necessary to:
- 19 (A) make the distribution required under section 39(b)(2)
- 20 and 39(b)(3) of this chapter;
- 21 (B) make, when due, principal and interest payments on
- 22 bonds described in section 39(b)(4) of this chapter;
- 23 (C) pay the amount necessary for other purposes described
- 24 in section 39(b)(4) of this chapter; and
- 25 (D) reimburse the county or municipality for anticipated
- 26 expenditures described in subsection (e)(2).
- 27 (2) Provide a written notice to the county auditor, the fiscal body
- 28 of the county or municipality that established the department of
- 29 redevelopment, and the officers who are authorized to fix
- 30 budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of
- 31 the other taxing units that is wholly or partly located within the
- 32 allocation area. The county auditor, upon receiving the notice,
- 33 shall forward this notice (in an electronic format) to the
- 34 department of local government finance not later than June 15 of
- 35 each year. The notice must:
- 36 (A) state the amount, if any, of excess property taxes that
- 37 the commission has determined may be paid to the
- 38 respective taxing units in the manner prescribed in section
- 39 39(b)(1) of this chapter; or
- 40 (B) state that the commission has determined that there is
- 41 no excess assessed value that may be allocated to the

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1 respective taxing units in the manner prescribed in
2 subdivision (1).

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

20 (3) If:

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

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

28 the commission shall submit to the legislative body of the unit its
29 determination of the excess assessed value that the commission
30 proposes to allocate to the respective taxing units in the manner
31 prescribed in subdivision (2). The legislative body of the unit
32 may approve the commission's determination or modify the
33 amount of the excess assessed value that will be allocated to the
34 respective taxing units in the manner prescribed in subdivision
35 (2).

36 (g) This subsection applies to an allocation area only to the extent
37 that the net assessed value of property that is assessed as residential
38 property under the rules of the department of local government finance
39 is not included in the base assessed value. If property tax installments
40 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in
41 installments established by the department of local government finance
42 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an



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1 allocation area is entitled to an additional credit under subsection (d)
 2 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
 3 installments. The credit shall be applied in the same proportion to each
 4 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

5 SECTION 57. IC 36-7-14-52, AS AMENDED BY P.L.236-2023,
 6 SECTION 181, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2026]: Sec. 52. (a) Notwithstanding section
 8 39(a) of this chapter, with respect to the allocation and distribution of
 9 property taxes for the accomplishment of the purposes of an
 10 age-restricted housing program adopted under section 49 of this
 11 chapter, "base assessed value" means, subject to section 39(j) of this
 12 chapter, the net assessed value of all of the property, other than
 13 personal property, as finally determined for the assessment date
 14 immediately preceding the effective date of the allocation provision, as
 15 adjusted under section 39(h) of this chapter.

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

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

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

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

28 (4) To do any of the following:

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

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

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

41 (D) Pay the principal of and interest on bonds issued by the

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1 unit to pay for local public improvements that are physically
 2 located in or physically connected to the allocation area.
 3 (E) Pay premiums on the redemption before maturity of
 4 bonds payable solely or in part from allocated tax proceeds
 5 in the allocation area.
 6 (F) Make payments on leases payable from allocated tax
 7 proceeds in the allocation area under section 25.2 of this
 8 chapter.
 9 (G) Reimburse the unit for expenditures made by the unit
 10 for local public improvements (which include buildings,
 11 parking facilities, and other items described in section
 12 25.1(a) of this chapter) that are physically located in or
 13 physically connected to the allocation area.
 14 (c) Notwithstanding section 39(b) of this chapter, the commission
 15 shall, relative to the allocation fund established under section 39(b) of
 16 this chapter for an allocation area for an age-restricted housing program
 17 adopted under section 49 of this chapter, do the following before June
 18 15 of each year:
 19 (1) Determine the amount, if any, by which the assessed value of
 20 the taxable property in the allocation area for the most recent
 21 assessment date minus the base assessed value, when multiplied
 22 by the estimated tax rate of the allocation area, will exceed the
 23 amount of assessed value needed to produce the property taxes
 24 necessary to:
 25 (A) make the distribution required under section 39(b)(2)
 26 and 39(b)(3) of this chapter;
 27 (B) make, when due, principal and interest payments on
 28 bonds described in section 39(b)(4) of this chapter;
 29 (C) pay the amount necessary for other purposes described
 30 in section 39(b)(4) of this chapter; and
 31 (D) reimburse the county or municipality for anticipated
 32 expenditures described in subsection (b)(2).
 33 (2) Provide a written notice to the county auditor, the fiscal body
 34 of the county or municipality that established the department of
 35 redevelopment, and the officers who are authorized to fix
 36 budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of
 37 the other taxing units that is wholly or partly located within the
 38 allocation area. The county auditor, upon receiving the notice,
 39 shall forward this notice (in an electronic format) to the
 40 department of local government finance not later than June 15 of
 41 each year. The notice must:

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- 1 (A) state the amount, if any, of excess property taxes that
- 2 the commission has determined may be paid to the
- 3 respective taxing units in the manner prescribed in section
- 4 39(b)(1) of this chapter; or
- 5 (B) state that the commission has determined that there is
- 6 no excess assessed value that may be allocated to the
- 7 respective taxing units in the manner prescribed in
- 8 subdivision (1).

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

25 SECTION 58. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014,
 26 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2026]: Sec. 1. As used in this chapter, "property taxes" means:

- 28 (1) property taxes, as described in:
 - 29 (A) ~~IC 6-1.1-39-5(g)~~; **IC 6-1.1-39-5(h)**;
 - 30 (B) IC 36-7-14-39(a);
 - 31 (C) IC 36-7-14-39.2;
 - 32 (D) IC 36-7-14-39.3(c);
 - 33 (E) IC 36-7-14.5-12.5;
 - 34 (F) IC 36-7-15.1-26(a);
 - 35 (G) IC 36-7-15.1-26.2(c);
 - 36 (H) IC 36-7-15.1-53(a);
 - 37 (I) IC 36-7-15.1-55(c);
 - 38 (J) IC 36-7-30-25(a)(3);
 - 39 (K) IC 36-7-30-26(c);
 - 40 (L) IC 36-7-30.5-30; or
 - 41 (M) IC 36-7-30.5-31; and
- 42 (2) for allocation areas created under IC 8-22-3.5, the taxes

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1 assessed on taxable tangible property in the allocation area.
2 SECTION 59. IC 36-7-15.1-26, AS AMENDED BY
3 P.L.174-2022, SECTION 72, IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 26. (a) As used in this
5 section:

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

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

12 (1) If an allocation provision is adopted after June 30, 1995, in
13 a declaratory resolution or an amendment to a declaratory
14 resolution establishing an economic development 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 (2) If an allocation provision is adopted after June 30, 1997, in
26 a declaratory resolution or an amendment to a declaratory
27 resolution establishing a redevelopment project area:

28 (A) the net assessed value of all the property as finally
29 determined for the assessment date immediately preceding
30 the effective 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), the net
34 assessed value of property that is assessed as residential
35 property under the rules of the department of local
36 government finance, within the allocation area, as finally
37 determined for the current assessment date.

38 (3) If:

39 (A) an allocation provision adopted before June 30, 1995,
40 in a declaratory resolution or an amendment to a declaratory
41 resolution establishing a redevelopment project area expires

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

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

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

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

38 (B) the base assessed value;

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

41 (2) The excess of the proceeds of the property taxes imposed for

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

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

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

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

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

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

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

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

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

39 (H) Reimburse the unit for rentals paid by it for a building
 40 or parking facility that is physically located in or physically
 41 connected to that allocation area under any lease entered

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

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

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

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

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

(C) If:

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

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

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

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

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

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

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

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

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

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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

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

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

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- 1 (1) The initial allocation deadline is December 31, 2011.
- 2 (2) Subject to subdivision (3), the initial allocation deadline and
- 3 subsequent allocation deadlines are automatically extended in
- 4 increments of five (5) years, so that allocation deadlines
- 5 subsequent to the initial allocation deadline fall on December 31,
- 6 2016, and December 31 of each fifth year thereafter.
- 7 (3) At least one (1) year before the date of an allocation deadline
- 8 determined under subdivision (2), the general assembly may
- 9 enact a law that:
- 10 (A) terminates the automatic extension of allocation
- 11 deadlines under subdivision (2); and
- 12 (B) specifically designates a particular date as the final
- 13 allocation deadline.
- 14 (j) If the commission adopts a declaratory resolution or an
- 15 amendment to a declaratory resolution that contains an allocation
- 16 provision and the commission makes either of the filings required
- 17 under section 10(e) of this chapter after the first anniversary of the
- 18 effective date of the allocation provision, the auditor of the county in
- 19 which the unit is located shall compute the base assessed value for the
- 20 allocation area using the assessment date immediately preceding the
- 21 later of:
- 22 (1) the date on which the documents are filed with the county
- 23 auditor; or
- 24 (2) the date on which the documents are filed with the
- 25 department of local government finance.
- 26 (k) For an allocation area established after June 30, 2024,
- 27 "residential property" refers to the assessed value of property that is
- 28 allocated to the one percent (1%) homestead land and improvement
- 29 categories in the county tax and billing software system, along with the
- 30 residential assessed value as defined for purposes of calculating the
- 31 rate for the local income tax property tax relief credit designated for
- 32 residential property under IC 6-3.6-5-6(d)(3).
- 33 SECTION 60. IC 36-7-15.1-26, AS AMENDED BY P.L.68-2025,
- 34 SECTION 235, IS AMENDED TO READ AS FOLLOWS
- 35 [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this section:
- 36 "Allocation area" means that part of a redevelopment project area
- 37 to which an allocation provision of a resolution adopted under section
- 38 8 of this chapter refers for purposes of distribution and allocation of
- 39 property taxes.
- 40 "Base assessed value" means, subject to subsection (j), the
- 41 following:

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

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1 resolution, as adjusted under subsection (h).
 2 (5) If an allocation area established in an economic development
 3 area before July 1, 1995, is expanded after June 30, 1995, the
 4 definition in subdivision (1) applies to the expanded part of the
 5 area added after June 30, 1995.

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

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

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

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

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

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

27 (B) the base assessed value;

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

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

38 (3) Except as otherwise provided in this section, property tax
 39 proceeds in excess of those described in subdivisions (1) and (2)
 40 shall be allocated to the redevelopment district and, when
 41 collected, paid into a special fund for that allocation area that

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1 may be used by the redevelopment district only to do one (1) or
 2 more of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, the officers who are authorized to fix budgets, tax rates, and tax levies under

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IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

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

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

(C) If:

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

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

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

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

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

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

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

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

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

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

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

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

22 (A) Businesses operating in the enterprise zone.

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

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

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

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

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

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



1 deadlines under subdivision (2); and
2 (B) specifically designates a particular date as the final
3 allocation deadline.

4 (j) If the commission adopts a declaratory resolution or an
5 amendment to a declaratory resolution that contains an allocation
6 provision and the commission makes either of the filings required
7 under section 10(e) of this chapter after the first anniversary of the
8 effective date of the allocation provision, the auditor of the county in
9 which the unit is located shall compute the base assessed value for the
10 allocation area using the assessment date immediately preceding the
11 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 (k) 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) (before its expiration).

23 SECTION 61. IC 36-7-15.1-35, AS AMENDED BY
24 P.L.257-2019, SECTION 128, IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 35. (a) Notwithstanding
26 section 26(a) of this chapter, with respect to the allocation and
27 distribution of property taxes for the accomplishment of a program
28 adopted under section 32 of this chapter, "base assessed value" means,
29 subject to section 26(j) of this chapter, the net assessed value of all of
30 the land as finally determined for the assessment date immediately
31 preceding the effective date of the allocation provision, as adjusted
32 under section 26(h) of this chapter. However, "base assessed value"
33 does not include the value of real property improvements to the land.

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

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

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

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

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

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

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

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

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

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

29 (1) Accomplish one (1) or more of the actions set forth in section
30 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

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

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

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

40 (1) Determine the amount, if any, by which the assessed value of
41 the taxable property in the allocation area, when multiplied by

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1 the estimated tax rate of the allocation area, will exceed the
 2 amount of assessed value needed to produce the property taxes
 3 necessary to:

- 4 (A) make the distribution required under section 26(b)(2) of
 5 this chapter;
- 6 (B) make, when due, principal and interest payments on
 7 bonds described in section 26(b)(3) of this chapter;
- 8 (C) pay the amount necessary for other purposes described
 9 in section 26(b)(3) of this chapter; and
- 10 (D) reimburse the consolidated city for anticipated
 11 expenditures described in subsection (e)(2).

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

- 18 (A) state the amount, if any, of excess assessed value that
 19 the commission has determined may be allocated to the
 20 respective taxing units in the manner prescribed in section
 21 26(b)(1) of this chapter; or
- 22 (B) state that the commission has determined that there is
 23 no excess assessed value that may be allocated to the
 24 respective taxing units in the manner prescribed in section
 25 26(b)(1) of this chapter.

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

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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 6-1.1-20.9-1 (before its
 6 repeal)) are due in installments established by the department of local
 7 government finance under IC 6-1.1-22-9.5, each taxpayer subject to
 8 those installments in an allocation area is entitled to an additional
 9 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2
 10 (before its repeal)) due in installments. The credit shall be applied in
 11 the same proportion to each installment of taxes (as defined in
 12 IC 6-1.1-21-2 (before its repeal)).

13 SECTION 62. IC 36-7-15.1-53, AS AMENDED BY
 14 P.L.174-2022, SECTION 73, IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 53. (a) As used in this
 16 section:

17 "Allocation area" means that part of a redevelopment project area
 18 to which an allocation provision of a resolution adopted under section
 19 40 of this chapter refers for purposes of distribution and allocation of
 20 property taxes.

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

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

32 (b) A resolution adopted under section 40 of this chapter on or
 33 before the allocation deadline determined under subsection (i) may
 34 include a provision with respect to the allocation and distribution of
 35 property taxes for the purposes and in the manner provided in this
 36 section. A resolution previously adopted may include an allocation
 37 provision by the amendment of that resolution on or before the
 38 allocation deadline determined under subsection (i) in accordance with
 39 the procedures required for its original adoption. A declaratory
 40 resolution or an amendment that establishes an allocation provision
 41 must be approved by resolution of the legislative body of the excluded

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

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

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1 three (3) years after the date on which the investments that
2 are the basis for the increment financing are made.
3 The special fund may not be used for operating expenses of the
4 commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (A) Businesses operating in the enterprise zone.

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

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

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

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

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

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

34 (2) Subject to subdivision (3), the initial allocation deadline and
 35 subsequent allocation deadlines are automatically extended in
 36 increments of five (5) years, so that allocation deadlines
 37 subsequent to the initial allocation deadline fall on December 31,
 38 2016, and December 31 of each fifth year thereafter.

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

42 (A) terminates the automatic extension of allocation

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1 deadlines under subdivision (2); and
2 (B) specifically designates a particular date as the final
3 allocation deadline.

4 (j) If the commission adopts a declaratory resolution or an
5 amendment to a declaratory resolution that contains an allocation
6 provision and the commission makes either of the filings required
7 under section 10(e) of this chapter after the first anniversary of the
8 effective date of the allocation provision, the auditor of the county in
9 which the unit is located shall compute the base assessed value for the
10 allocation area using the assessment date immediately preceding the
11 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 (k) 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 63. IC 36-7-15.1-53, AS AMENDED BY P.L.68-2025,
24 SECTION 236, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2027]: Sec. 53. (a) As used in this section:
26 "Allocation area" means that part of a redevelopment project area
27 to which an allocation provision of a resolution adopted under section
28 40 of this chapter refers for purposes of distribution and allocation of
29 property taxes.
30 "Base assessed value" means, subject to subsection (j):
31 (1) the net assessed value of all the property as finally
32 determined for the assessment date immediately preceding the
33 effective date of the allocation provision of the declaratory
34 resolution, as adjusted under subsection (h); plus
35 (2) to the extent that it is not included in subdivision (1), the net
36 assessed value of property that is assessed as residential property
37 under the rules of the department of local government finance,
38 as finally determined for the current assessment date.
39 Except as provided in section 55 of this chapter, "property taxes"
40 means taxes imposed under IC 6-1.1 on real property.
41 (b) A resolution adopted under section 40 of this chapter on or

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

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1 in subdivision (1) shall be allocated to and, when collected, paid
 2 into the funds of the taxing unit for which the referendum or
 3 local public question was conducted.
 4 (3) Except as otherwise provided in this section, property tax
 5 proceeds in excess of those described in subdivisions (1) and (2)
 6 shall be allocated to the redevelopment district and, when
 7 collected, paid into a special fund for that allocation area that
 8 may be used by the redevelopment district only to do one (1) or
 9 more of the following:
 10 (A) Pay the principal of and interest on any obligations
 11 payable solely from allocated tax proceeds that are incurred
 12 by the redevelopment district for the purpose of financing
 13 or refinancing the redevelopment of that allocation area.
 14 (B) Establish, augment, or restore the debt service reserve
 15 for bonds payable solely or in part from allocated tax
 16 proceeds in that allocation area.
 17 (C) Pay the principal of and interest on bonds payable from
 18 allocated tax proceeds in that allocation area and from the
 19 special tax levied under section 50 of this chapter.
 20 (D) Pay the principal of and interest on bonds issued by the
 21 excluded city to pay for local public improvements that are
 22 physically located in or physically connected to that
 23 allocation area.
 24 (E) Pay premiums on the redemption before maturity of
 25 bonds payable solely or in part from allocated tax proceeds
 26 in that allocation area.
 27 (F) Make payments on leases payable from allocated tax
 28 proceeds in that allocation area under section 46 of this
 29 chapter.
 30 (G) Reimburse the excluded city for expenditures for local
 31 public improvements (which include buildings, park
 32 facilities, and other items set forth in section 45 of this
 33 chapter) that are physically located in or physically
 34 connected to that allocation area.
 35 (H) Reimburse the unit for rentals paid by it for a building
 36 or parking facility that is physically located in or physically
 37 connected to that allocation area under any lease entered
 38 into under IC 36-1-10.
 39 (I) Reimburse public and private entities for expenses
 40 incurred in training employees of industrial facilities that
 41 are located:

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

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

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

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

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

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

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

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

41 The county auditor shall allocate to the respective taxing

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

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 an 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

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1 government finance shall make the rules and prescribe the forms and
 2 procedures that they consider expedient for the implementation of this
 3 chapter. After each reassessment of real property in an area under a
 4 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
 5 ~~department of local government finance~~ **county auditor** shall, **on**
 6 **forms prescribed by the department of local government finance**,
 7 adjust the base assessed value one (1) time to neutralize any effect of
 8 the reassessment of the real property in the area on the property tax
 9 proceeds allocated to the redevelopment district under this section.
 10 After each annual adjustment under IC 6-1.1-4-4.5, 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 to neutralize any effect of the annual adjustment on the
 14 property tax proceeds allocated to the redevelopment 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 redevelopment 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 commission**
 32 **notifies the county auditor and the department of local government**
 33 **finance, no later than July 15, that it is unable to meet its debt**
 34 **service obligations with regard to the allocation area without all or**
 35 **part of the allocated tax proceeds attributed to the assessed value**
 36 **that has been allocated to the respective taxing units, then the**
 37 **county auditor may not allocate five percent (5%) of the assessed**
 38 **value in the allocation area that is used to calculate the allocation**
 39 **and distribution of allocated tax proceeds under this section to the**
 40 **respective taxing units.**

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

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- 1 (1) The initial allocation deadline is December 31, 2011.
- 2 (2) Subject to subdivision (3), the initial allocation deadline and
- 3 subsequent allocation deadlines are automatically extended in
- 4 increments of five (5) years, so that allocation deadlines
- 5 subsequent to the initial allocation deadline fall on December 31,
- 6 2016, and December 31 of each fifth year thereafter.
- 7 (3) At least one (1) year before the date of an allocation deadline
- 8 determined under subdivision (2), the general assembly may
- 9 enact a law that:
- 10 (A) terminates the automatic extension of allocation
- 11 deadlines under subdivision (2); and
- 12 (B) specifically designates a particular date as the final
- 13 allocation deadline.
- 14 (j) If the commission adopts a declaratory resolution or an
- 15 amendment to a declaratory resolution that contains an allocation
- 16 provision and the commission makes either of the filings required
- 17 under section 10(e) of this chapter after the first anniversary of the
- 18 effective date of the allocation provision, the auditor of the county in
- 19 which the unit is located shall compute the base assessed value for the
- 20 allocation area using the assessment date immediately preceding the
- 21 later of:
- 22 (1) the date on which the documents are filed with the county
- 23 auditor; or
- 24 (2) the date on which the documents are filed with the
- 25 department of local government finance.
- 26 (k) For an allocation area established after June 30, 2024,
- 27 "residential property" refers to the assessed value of property that is
- 28 allocated to the one percent (1%) homestead land and improvement
- 29 categories in the county tax and billing software system, along with the
- 30 residential assessed value as defined for purposes of calculating the
- 31 rate for the local income tax property tax relief credit designated for
- 32 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).
- 33 SECTION 64. IC 36-7-15.1-62, AS AMENDED BY
- 34 P.L.257-2019, SECTION 131, IS AMENDED TO READ AS
- 35 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding
- 36 section 26(a) of this chapter, with respect to the allocation and
- 37 distribution of property taxes for the accomplishment of the purposes
- 38 of an age-restricted housing program adopted under section 59 of this
- 39 chapter, "base assessed value" means, subject to section 26(j) of this
- 40 chapter, the net assessed value of all of the property, other than
- 41 personal property, as finally determined for the assessment date

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- 1 immediately preceding the effective date of the allocation provision, as
- 2 adjusted under section 26(h) of this chapter.
- 3 (b) The allocation fund established under section 26(b) of this
- 4 chapter for the allocation area for an age-restricted housing program
- 5 adopted under section 59 of this chapter may be used only for purposes
- 6 related to the accomplishment of the purposes of the program,
- 7 including, but not limited to, the following:
- 8 (1) The construction of any infrastructure (including streets,
- 9 sidewalks, and sewers) or local public improvements in, serving,
- 10 or benefiting the allocation area.
- 11 (2) The acquisition of real property and interests in real property
- 12 within the allocation area.
- 13 (3) The preparation of real property in anticipation of
- 14 development of the real property within the allocation area.
- 15 (4) To do any of the following:
- 16 (A) Pay the principal of and interest on bonds or any other
- 17 obligations payable from allocated tax proceeds in the
- 18 allocation area that are incurred by the redevelopment
- 19 district for the purpose of financing or refinancing the
- 20 age-restricted housing program established under section 59
- 21 of this chapter for the allocation area.
- 22 (B) Establish, augment, or restore the debt service reserve
- 23 for bonds payable solely or in part from allocated tax
- 24 proceeds in the allocation area.
- 25 (C) Pay the principal of and interest on bonds payable from
- 26 allocated tax proceeds in the allocation area and from the
- 27 special tax levied under section 19 of this chapter.
- 28 (D) Pay the principal of and interest on bonds issued by the
- 29 unit to pay for local public improvements that are physically
- 30 located in or physically connected to the allocation area.
- 31 (E) Pay premiums on the redemption before maturity of
- 32 bonds payable solely or in part from allocated tax proceeds
- 33 in the allocation area.
- 34 (F) Make payments on leases payable from allocated tax
- 35 proceeds in the allocation area under section 17.1 of this
- 36 chapter.
- 37 (G) Reimburse the unit for expenditures made by the unit
- 38 for local public improvements (which include buildings,
- 39 parking facilities, and other items described in section 17(a)
- 40 of this chapter) that are physically located in or physically
- 41 connected to the allocation area.

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

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

- 12 (A) make the distribution required under section 26(b)(2) of
- 13 this chapter;
- 14 (B) make, when due, principal and interest payments on
- 15 bonds described in section 26(b)(3) of this chapter;
- 16 (C) pay the amount necessary for other purposes described
- 17 in section 26(b)(3) of this chapter; and
- 18 (D) reimburse the county or municipality for anticipated
- 19 expenditures described in subsection (b)(2).

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

- 27 (A) state the amount, if any, of excess property taxes that
- 28 the commission has determined may be paid to the
- 29 respective taxing units in the manner prescribed in section
- 30 26(b)(1) of this chapter; or
- 31 (B) state that the commission has determined that there is
- 32 no excess assessed value that may be allocated to the
- 33 respective taxing units in the manner prescribed in
- 34 subdivision (1).

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

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

9 SECTION 65. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,
 10 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2026]: Sec. 25. (a) The following definitions apply throughout
 12 this section:

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

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

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

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

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

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

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

39 (b) A declaratory resolution adopted under section 10 of this
 40 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 41 declaratory resolutions adopted under IC 36-7-14-15 may include a
 42 provision with respect to the allocation and distribution of property

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1 taxes for the purposes and in the manner provided in this section. A
 2 declaratory resolution previously adopted may include an allocation
 3 provision by the amendment of that declaratory resolution in
 4 accordance with the procedures set forth in section 13 of this chapter.
 5 The allocation provision may apply to all or part of the military base
 6 reuse area. The allocation provision must require that any property
 7 taxes subsequently levied by or for the benefit of any public body
 8 entitled to a distribution of property taxes on taxable property in the
 9 allocation area be allocated and distributed as follows:

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

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

15 (B) the base assessed value;

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

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

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

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

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

41 (C) Make payments on leases payable solely or in part from

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allocated tax proceeds in that allocation area.

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

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

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

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

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

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

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

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

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

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1 body of the unit that established the reuse authority, and the
2 officers who are authorized to fix budgets, tax rates, and tax
3 levies under IC 6-1.1-17-5 for each of the other taxing units
4 that is wholly or partly located within the allocation area.

5 The notice must:

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

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

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

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

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

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

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

- 41 (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 any 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. The amount sufficient for purposes specified in
 15 subsection (b)(3) for the year shall be determined based on the pro rata
 16 part of such current property tax proceeds from the part of the
 17 enterprise zone that is within the allocation area as compared to all
 18 such current property tax proceeds derived from the allocation area. A
 19 unit that does not have obligations, bonds, or leases payable from
 20 allocated tax proceeds under subsection (b)(3) shall establish a special
 21 zone fund and deposit all the property tax proceeds in excess of those
 22 described in subsection (b)(1) and (b)(2) that are derived from property
 23 in the enterprise zone in the fund. The unit that creates the special zone
 24 fund shall use the fund (based on the recommendations of the urban
 25 enterprise association) for programs in job training, job enrichment,
 26 and basic skill development that are designed to benefit residents and
 27 employers in the enterprise zone or other purposes specified in
 28 subsection (b)(3), except that where reference is made in subsection
 29 (b)(3) to allocation area it shall refer for purposes of payments from the
 30 special zone fund only to that part of the allocation area that is also
 31 located in the enterprise zone. The programs shall reserve at least
 32 one-half (1/2) of their enrollment in any session for residents of the
 33 enterprise zone.
 34 (h) After each reassessment of real property in an area under the
 35 county's reassessment plan under IC 6-1.1-4-4.2, the ~~department of~~
 36 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 37 **by the department of local government finance**, adjust the base
 38 assessed value one (1) time to neutralize any effect of the reassessment
 39 of the real property in the area on the property tax proceeds allocated
 40 to the military base reuse district under this section. After each annual
 41 adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~

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

31 (i) If the reuse authority adopts a declaratory resolution or an
 32 amendment to a declaratory resolution that contains an allocation
 33 provision and the reuse authority makes either of the filings required
 34 under section 12(c) or 13(f) of this chapter after the first anniversary of
 35 the effective date of the allocation provision, the auditor of the county
 36 in which the military base reuse district is located shall compute the
 37 base 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 (j) For an allocation area established after June 30, 2024,
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, along with the
5 residential assessed value as defined for purposes of calculating the
6 rate for the local income tax property tax relief credit designated for
7 residential property under IC 6-3.6-5-6(d)(3).

8 SECTION 66. IC 36-7-30-25, AS AMENDED BY P.L.68-2025,
9 SECTION 237, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2027]: Sec. 25. (a) The following definitions
11 apply throughout this section:

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

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

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

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

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

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

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

38 (b) A declaratory resolution adopted under section 10 of this
39 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
40 declaratory resolutions adopted under IC 36-7-14-15 may include a
41 provision with respect to the allocation and distribution of property

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1 taxes for the purposes and in the manner provided in this section. A
 2 declaratory resolution previously adopted may include an allocation
 3 provision by the amendment of that declaratory resolution in
 4 accordance with the procedures set forth in section 13 of this chapter.
 5 The allocation provision may apply to all or part of the military base
 6 reuse area. The allocation provision must require that any property
 7 taxes subsequently levied by or for the benefit of any public body
 8 entitled to a distribution of property taxes on taxable property in the
 9 allocation area be allocated and distributed as follows:

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

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

15 (B) the base assessed value;

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

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

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

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

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

41 (C) Make payments on leases payable solely or in part from

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allocated tax proceeds in that allocation area.

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

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

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

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

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

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

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

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

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

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1 body of the unit that established the reuse authority, and the
2 officers who are authorized to fix budgets, tax rates, and tax
3 levies under IC 6-1.1-17-5 for each of the other taxing units
4 that is wholly or partly located within the allocation area.

5 The notice must:

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

10 (ii) state that the reuse authority has determined that
11 there are no excess property tax proceeds that may be
12 allocated to the respective taxing units in the manner
13 prescribed in subdivision (1).

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

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

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

27 (2) the base assessed value.

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

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

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

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

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

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

31 (i) If the reuse authority adopts a declaratory resolution or an
 32 amendment to a declaratory resolution that contains an allocation
 33 provision and the reuse authority makes either of the filings required
 34 under section 12(c) or 13(f) of this chapter after the first anniversary of
 35 the effective date of the allocation provision, the auditor of the county
 36 in which the military base reuse district is located shall compute the
 37 base 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 (j) For an allocation area established after June 30, 2024,
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, along with the
5 residential assessed value as defined for purposes of calculating the
6 rate for the local income tax property tax relief credit designated for
7 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

8 SECTION 67. IC 36-7-30.5-30, AS AMENDED BY
9 P.L.174-2022, SECTION 75, IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 30. (a) The following
11 definitions apply throughout this section:

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

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

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

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

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

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

36 (b) A declaratory resolution adopted under section 16 of this
37 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
38 declaratory resolutions adopted under IC 36-7-14-15 may include a
39 provision with respect to the allocation and distribution of property
40 taxes for the purposes and in the manner provided in this section. A
41 declaratory resolution previously adopted may include an allocation

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1 provision by the amendment of that declaratory resolution in
 2 accordance with the procedures set forth in section 18 of this chapter.
 3 The allocation provision may apply to all or part of the military base
 4 development area. The allocation provision must require that any
 5 property taxes subsequently levied by or for the benefit of any public
 6 body entitled to a distribution of property taxes on taxable property in
 7 the allocation area be allocated and distributed as follows:

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

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

13 (B) the base assessed value;

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

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

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

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

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

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

41 (D) Reimburse any other governmental body for

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expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

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

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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

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

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

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

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

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

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

38 The county auditors shall allocate to the respective taxing
 39 units the amount, if any, of excess assessed value
 40 determined by the development authority. The development
 41 authority may not authorize a payment to the respective

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1 taxing units under this subdivision if to do so would
2 endanger the interest of the holders of bonds described in
3 subdivision (3) or lessors under section 24 of this chapter.
4 Property taxes received by a taxing unit under this
5 subdivision before 2009 are eligible for the property tax
6 replacement credit provided under IC 6-1.1-21 (before its
7 repeal).

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

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

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

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

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

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

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

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

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

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

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

- 27 (1) the date on which the documents are filed with the county
- 28 auditor; or
- 29 (2) the date on which the documents are filed with the
- 30 department of local government finance.

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

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

- 42 (1) "Allocation area" means that part of a military base

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1 development area to which an allocation provision of a
2 declaratory resolution adopted under section 16 of this chapter
3 refers for purposes of distribution and allocation of property
4 taxes.

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

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

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

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

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

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

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

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

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1 (B) the base assessed value;
 2 shall be allocated to and, when collected, paid into the funds of
 3 the respective taxing units.
 4 (2) The excess of the proceeds of the property taxes imposed for
 5 the assessment date with respect to which the allocation and
 6 distribution is made that are attributable to taxes imposed after
 7 being approved by the voters in a referendum or local public
 8 question conducted after April 30, 2010, not otherwise included
 9 in subdivision (1) shall be allocated to and, when collected, paid
 10 into the funds of the taxing unit for which the referendum or
 11 local public question was conducted.
 12 (3) Except as otherwise provided in this section, property tax
 13 proceeds in excess of those described in subdivisions (1) and (2)
 14 shall be allocated to the development authority and, when
 15 collected, paid into an allocation fund for that allocation area
 16 that may be used by the development authority and only to do
 17 one (1) or more of the following:
 18 (A) Pay the principal of and interest and redemption
 19 premium on any obligations incurred by the development
 20 authority or any other entity for the purpose of financing or
 21 refinancing military base development or reuse activities in
 22 or directly serving or benefiting that allocation area.
 23 (B) Establish, augment, or restore the debt service reserve
 24 for bonds payable solely or in part from allocated tax
 25 proceeds in that allocation area or from other revenues of
 26 the development authority, including lease rental revenues.
 27 (C) Make payments on leases payable solely or in part from
 28 allocated tax proceeds in that allocation area.
 29 (D) Reimburse any other governmental body for
 30 expenditures made for local public improvements (or
 31 structures) in or directly serving or benefiting that allocation
 32 area.
 33 (E) For property taxes first due and payable before 2009,
 34 pay all or a part of a property tax replacement credit to
 35 taxpayers in an allocation area as determined by the
 36 development authority. This credit equals the amount
 37 determined under the following STEPS for each taxpayer in
 38 a taxing district (as defined in IC 6-1.1-1-20) that contains
 39 all or part of the allocation area:
 40 STEP ONE: Determine that part of the sum of the amounts
 41 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),

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1 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 2 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable
 3 to the taxing district.
 4 STEP TWO: Divide:
 5 (i) that part of each county's eligible property tax
 6 replacement amount (as defined in IC 6-1.1-21-2
 7 (before its repeal)) for that year as determined under
 8 IC 6-1.1-21-4 (before its repeal) that is attributable to
 9 the taxing district; by
 10 (ii) the STEP ONE sum.
 11 STEP THREE: Multiply:
 12 (i) the STEP TWO quotient; by
 13 (ii) the total amount of the taxpayer's taxes (as defined
 14 in IC 6-1.1-21-2 (before its repeal)) levied in the taxing
 15 district that have been allocated during that year to an
 16 allocation fund under this section.
 17 If not all the taxpayers in an allocation area receive the
 18 credit in full, each taxpayer in the allocation area is entitled
 19 to receive the same proportion of the credit. A taxpayer may
 20 not receive a credit under this section and a credit under
 21 section 32 of this chapter (before its repeal) in the same
 22 year.
 23 (F) Pay expenses incurred by the development authority for
 24 local public improvements or structures that were in the
 25 allocation area or directly serving or benefiting the
 26 allocation area.
 27 (G) 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 not more
 39 than three (3) years after the date on which the investments
 40 that are the basis for the increment financing are made.
 41 (H) Expend money and provide financial assistance as

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

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

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

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

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

- 14 (1) the date on which the documents are filed with the county
15 auditor; or
- 16 (2) the date on which the documents are filed with the
17 department of local government finance.

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

25 SECTION 69. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,
26 SECTION 349, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) The state board of accounts
28 and department of local government finance shall make the rules and
29 prescribe the forms and procedures that the state board of accounts and
30 department of local government finance consider appropriate for the
31 implementation of an allocation area under this chapter.

32 (b) After each reassessment of real property in an area under a
33 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
34 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
35 **by the department of local government finance**, adjust the base
36 assessed value one (1) time to neutralize any effect of the reassessment
37 of the real property in the area on the property tax proceeds allocated
38 to the certified technology park fund under section 17 of this chapter.
39 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
40 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
41 **by the department of local government finance**, adjust the base

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1 assessed value to neutralize any effect of the annual adjustment on the
2 property tax proceeds allocated to the certified technology park fund
3 under section 17 of this chapter.

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

22 SECTION 70. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022,
23 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2026]: Sec. 16. (a) The state board of accounts, the
25 department of state revenue, and the department of local government
26 finance may adopt rules under IC 4-22-2 and prescribe the forms and
27 procedures that the state board of accounts, the department of state
28 revenue, and the department of local government finance consider
29 appropriate for the implementation of an innovation development
30 district under this chapter. However, before adopting rules under this
31 section, the state board of accounts, the department of state revenue,
32 and the department of local government finance shall submit a report
33 to the budget committee that:

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

39 (b) After each reassessment of real property in an area under a
40 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
41 department of local government finance county auditor shall, on
42 forms prescribed by the department of local government finance,

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1 adjust the base assessed value one (1) time to neutralize any effect of
2 the reassessment of the real property in the area on the property tax
3 proceeds allocated to the local innovation development district fund
4 established by section 19 of this chapter.

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

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

30 SECTION 71. IC 36-7.5-4.5-18, AS AMENDED BY
31 P.L.236-2023, SECTION 194, IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is
33 established, the following apply to the administration and use of
34 incremental property tax revenue by the development authority, or a
35 redevelopment commission in the case of a district located in a cash
36 participant county, in the district:

37 (1) ~~The department of local government finance~~ **county auditor**
38 **shall, on forms prescribed by the department of local**
39 **government finance,** adjust the base assessed value to
40 neutralize any effect of a reassessment and the annual
41 adjustment of the real property in the district in the same manner
42 as provided in IC 36-7-14-39(h). **The county auditor shall, in**

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

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

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

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

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

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

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

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

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- 1 (F) To reimburse a municipality in which a district is
- 2 located for expenditures made by the municipality for local
- 3 public improvements that are physically located in or
- 4 physically connected to the district.
- 5 (G) To reimburse a municipality for rentals paid by the
- 6 municipality for a building or parking facility that is
- 7 physically located in or physically connected to the district
- 8 under any lease entered into under IC 36-1-10.
- 9 (H) To pay expenses incurred by the development authority
- 10 for local public improvements that are in the district or
- 11 serving the district.

12 SECTION 72. IC 36-8-19-8.5, AS AMENDED BY P.L.255-2017,
 13 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 8.5. (a) Participating units may agree to establish
 15 an equipment replacement fund under this section to be used to
 16 purchase fire protection equipment, including housing, that will be
 17 used to serve the entire territory. To establish the fund, the legislative
 18 bodies of each participating unit must adopt an ordinance (in the case
 19 of a county or municipality) or a resolution (in the case of a township
 20 or fire protection district), and the following requirements must be met:

- 21 (1) The ordinance or resolution is identical to the ordinances and
- 22 resolutions adopted by the other participating units under this
- 23 section.
- 24 (2) Before adopting the ordinance or resolution, each
- 25 participating unit must comply with the notice and hearing
- 26 requirements of IC 6-1.1-41-3.
- 27 (3) The ordinance or resolution authorizes the provider unit to
- 28 establish the fund.
- 29 (4) The ordinance or resolution includes at least the following:
- 30 (A) The name of each participating unit and the provider
- 31 unit.
- 32 (B) An agreement to impose a uniform tax rate upon all of
- 33 the taxable property within the territory for the equipment
- 34 replacement fund.
- 35 (C) The contents of the agreement to establish the fund.

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

- 38 (b) If a fund is established, the participating units may agree to:
- 39 (1) impose a property tax to provide for the accumulation of
- 40 money in the fund to purchase fire protection equipment;
- 41 (2) incur debt to purchase fire protection equipment and impose

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1 a property tax to retire the loan; or
 2 (3) transfer an amount from the fire protection territory fund to
 3 the fire equipment replacement fund not to exceed five percent
 4 (5%) of the levy for the fire protection territory fund for that
 5 year;
 6 or any combination of these options.

7 (c) The property tax rate for the levy imposed under this section is
 8 **considered part of the maximum permissible ad valorem property**
 9 **tax levy and** may not exceed three and thirty-three hundredths cents
 10 (\$0.0333) per one hundred dollars (\$100) of assessed value. Before
 11 debt may be incurred, the fiscal body of a participating unit must adopt
 12 an ordinance (in the case of a county or municipality) or a resolution
 13 (in the case of a township or fire protection district) that specifies the
 14 amount and purpose of the debt. The ordinance or resolution must be
 15 identical to the other ordinances and resolutions adopted by the
 16 participating units. Except as provided in subsection (d), if debt is to be
 17 incurred for the purposes of a fund, the provider unit shall negotiate for
 18 and hold the debt on behalf of the territory. However, the participating
 19 units and the provider unit of the territory are jointly liable for any debt
 20 incurred by the provider unit for the purposes of the fund. The most
 21 recent adjusted value of taxable property for the entire territory must be
 22 used to determine the debt limit under IC 36-1-15-6. A provider unit
 23 shall comply with all general statutes and rules relating to the
 24 incurrence of debt under this subsection.

25 (d) A participating unit of a territory may, to the extent allowed by
 26 law, incur debt in the participating unit's own name to acquire fire
 27 protection equipment or other property that is to be owned by the
 28 participating unit. A participating unit that acquires fire protection
 29 equipment or other property under this subsection may afterward enter
 30 into an interlocal agreement under IC 36-1-7 with the provider unit to
 31 furnish the fire protection equipment or other property to the provider
 32 unit for the provider unit's use or benefit in accomplishing the purposes
 33 of the territory. A participating unit shall comply with all general
 34 statutes and rules relating to the incurrence of debt under this
 35 subsection.

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

39 (f) The requirements and procedures specified in IC 6-1.1-41
 40 concerning the establishment or reestablishment of a cumulative fund,
 41 the imposing of a property tax for a cumulative fund, and the increasing

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1 of a property tax rate for a cumulative fund apply to:

- 2 (1) the establishment or reestablishment of a fund under this
- 3 section;
- 4 (2) the imposing of a property tax for a fund under this section;
- 5 and
- 6 (3) the increasing of a property tax rate for a fund under this
- 7 section.

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

13 SECTION 73. [EFFECTIVE JANUARY 1, 2024
14 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
15 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
16 **provision.**

17 (b) **This SECTION applies to assessment dates after December**
18 **31, 2023, and before January 1, 2026.**

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

- 21 (1) **that is owned, occupied, and used by a taxpayer that:**
 - 22 (A) **is exempt from federal income taxation under**
 - 23 **Section 501(c)(3) of the Internal Revenue Code; and**
 - 24 (B) **has a mission focused on preserving Indiana**
 - 25 **landmarks;**
- 26 (2) **that is used for one (1) or more of the purposes described**
- 27 **in IC 6-1.1-10-16;**
- 28 (3) **that is a parcel that:**
 - 29 (A) **was transferred to the taxpayer before January 1,**
 - 30 **2024; and**
 - 31 (B) **is located in Vanderburgh County;**
- 32 (4) **on which property taxes were imposed for the 2024 and**
- 33 **2025 assessment dates; and**
- 34 (5) **that would have been eligible for an exemption under**
- 35 **IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an**
- 36 **exemption application had been properly and timely filed**
- 37 **under IC 6-1.1 for the property.**

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

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

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

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

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

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

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

31 (i) This SECTION expires June 30, 2027.

32 SECTION 74. [EFFECTIVE JANUARY 1, 2026
33 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to
34 assessment dates occurring after December 31, 2025, for property
35 taxes first due and payable in 2027.

36 (b) This SECTION expires July 1, 2030.

37 SECTION 75. [EFFECTIVE JANUARY 1, 2026
38 (RETROACTIVE)] (a) The amendments made by this act to:

- 39 (1) IC 6-1.1-12.6-2;
- 40 (2) IC 6-1.1-12.6-4;
- 41 (3) IC 6-1.1-12.6-8;
- 42 (4) IC 6-1.1-12.8-3;

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1 **(5) IC 6-1.1-12.8-4;**
2 **(6) IC 6-1.1-12.8-9; and**
3 **(7) IC 6-1.1-12.8-10;**
4 **apply to assessment dates occurring after December 31, 2025.**
5 **(b) This SECTION expires January 1, 2028.**
6 SECTION 76. [EFFECTIVE UPON PASSAGE] **(a) IC 6-3.6-6-3**
7 **was amended by P.L.137-2024, SECTION 9, effective July 1, 2024,**
8 **until July 1, 2027, and by P.L.68-2025, SECTION 124, effective**
9 **July 1, 2027. The general assembly recognizes that this act amends,**
10 **effective July 1, 2026, the version of IC 6-3.6-6-3 amended by**
11 **P.L.137-2024, SECTION 9. The general assembly intends for the**
12 **version of IC 6-3.6-6-3:**
13 **(1) as amended by this act, to expire July 1, 2027; and**
14 **(2) as amended by P.L.68-2025, SECTION 124, to take effect**
15 **July 1, 2027.**
16 **(b) This SECTION expires December 31, 2027.**
17 SECTION 77. **An emergency is declared for this act.**

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