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HOUSE BILL No. 1210

Proposed Changes to introduced printing by AM121040

DIGEST OF PROPOSED AMENDMENT

Deduction for surviving spouses of WWI veterans. Restores the property tax deduction available to a surviving spouse of a World War I veteran that was limited to property taxes imposed for an assessment date before January 1, 2025, by SEA 1-2025 (P.L. 68-2025).

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

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

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



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

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

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

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

- 37 (1) IC 6-1.1-39 (economic development districts).
- 38 (2) IC 8-22-3.5 (airport development zones).
- 39 (3) IC 36-7-14 (redevelopment of areas needing redevelopment
- 40 generally).
- 41 (4) IC 36-7-15.1 (redevelopment of areas in Marion County).
- 42 (5) IC 36-7-30 (reuse of federal military bases).

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- 1 (6) IC 36-7-30.5 (development of multicounty federal military
2 bases).
3 (7) IC 36-7-32 (certified technology parks).
4 (8) IC 36-7-32.5 (innovation development districts).
5 (9) IC 36-7.5-4.5 (rail transit development districts).

6 (b) The department shall, in each year beginning after December
7 31, ~~2025~~, **2026**, and ending before January 1, 2034, adjust the base
8 assessed value of each tax increment financing allocation area to
9 neutralize the effect of the changing tax rates resulting year to year
10 from the homestead deduction under IC 6-1.1-12-37(c)(2) and
11 IC 6-1.1-12-37.5(c) and the deduction for eligible property under
12 IC 6-1.1-12-47. It is the intent of the general assembly that an increase
13 in revenue from a change in tax rates resulting from these statutes
14 accrue only to the base assessed value and not to the tax increment
15 financing allocation area. However, in the case of a decrease in revenue
16 from a change in tax rates resulting from these statutes, the department
17 may neutralize the change under this subsection in a positive manner
18 with regard to the tax increment financing allocation area to protect the
19 ability to pay bonds based on incremental revenue, if the tax increment
20 financing allocation area demonstrates to the department that an
21 adjustment is needed before the department calculates a positive
22 neutralization adjustment.

23 SECTION 5. IC 6-1.1-3-17, AS AMENDED BY P.L.232-2017,
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 17. (a) On or before June
26 1 of each year, each township assessor (if any) of a county shall deliver
27 to the county assessor a list which states by taxing district the total of
28 the personal property assessments as shown on the personal property
29 returns filed with the township assessor on or before the filing date of
30 that year and in a county with a township assessor under IC 36-6-5-1
31 in every township the township assessor shall deliver the lists to the
32 county auditor as prescribed in subsection (b).

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

39 (c) ~~The department of local government finance shall prescribe the~~
40 ~~forms required by this section.~~ **If a county assessor fails to certify to**
41 **the county auditor and the department of local government finance**
42 **the assessment value of the personal property in every taxing**



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

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

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

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

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

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

30 (2) Require that assessing officials:

31 (A) reevaluate the factors that affect value;

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

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

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

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

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

42 (e) For an assessment beginning after December 31, 2022,



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1 agricultural improvements such as but not limited to barns, grain bins,
 2 or silos on land assessed as agricultural shall not be adjusted using
 3 factors, such as neighborhood delineation, that are appropriate for use
 4 in adjusting residential, commercial, and industrial real property. Those
 5 portions of agricultural parcels that include land and buildings not used
 6 for an agricultural purpose, such as homes, homesites, and excess
 7 residential land and commercial or industrial land and buildings, shall
 8 be adjusted by the factor or factors developed for other similar property
 9 within the geographic stratification. The residential portion of
 10 agricultural properties shall be adjusted by the factors applied to
 11 similar residential purposes.

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

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

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

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

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

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

37 (i) for purposes of determining the preliminary base
 38 rate for the January 1, 2025, ~~and the~~ January 1, 2026,
 39 **and January 1, 2027**, assessment dates, nine percent
 40 (9%); and

41 (ii) for purposes of determining the preliminary base
 42 rate for assessment dates before January 1, 2025, and



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

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- 1 (b) The county assessor shall:
- 2 (1) maintain an electronic data file of:
- 3 (A) the parcel characteristics and parcel assessments of all
- 4 parcels; and
- 5 (B) the personal property return characteristics and
- 6 assessments by return;
- 7 for each township in the county as of each assessment date;
- 8 (2) maintain the electronic file in a form that formats the
- 9 information in the file with the standard data, field, and record
- 10 coding required and approved by:
- 11 (A) the legislative services agency; and
- 12 (B) the department of local government finance;
- 13 (3) provide electronic access to property record cards on the
- 14 official county website; and
- 15 (4) before ~~September 1~~ **July 1** of each year, transmit the data in
- 16 the file with respect to the assessment date of that year to the
- 17 department of local government finance.
- 18 (c) The appropriate county officer, as designated by the county
- 19 executive, shall:
- 20 (1) maintain an electronic data file of the geographic information
- 21 system characteristics of each parcel for each township in the
- 22 county as of each assessment date;
- 23 (2) maintain the electronic file in a form that formats the
- 24 information in the file with the standard data, field, and record
- 25 coding required and approved by the office of technology; and
- 26 (3) before ~~September 1~~ **July 1** of each year, transmit the data in
- 27 the file with respect to the assessment date of that year to the
- 28 geographic information office of the office of technology.
- 29 (d) An assessor under subsection (b) and an appropriate county
- 30 officer under subsection (c) shall do the following:
- 31 (1) Transmit the data in a manner that meets the data export and
- 32 transmission requirements in a standard format, as prescribed by
- 33 the office of technology established by IC 4-13.1-2-1 and
- 34 approved by the legislative services agency.
- 35 (2) Resubmit the data in the form and manner required under
- 36 subsection (b) or (c) upon request of the legislative services
- 37 agency, the department of local government finance, or the
- 38 geographic information office of the office of technology, as
- 39 applicable, if data previously submitted under subsection (b) or
- 40 (c) does not comply with the requirements of subsection (b) or
- 41 (c), as determined by the legislative services agency, the
- 42 department of local government finance, or the geographic

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

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

- 11 (1) May 15 in each calendar year ending before January 1, 2017;
- 12 and
- 13 (2) May 1 in each calendar year ending after December 31,
- 14 2016;

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

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

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

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

40 SECTION 9. IC 6-1.1-7-10.4, AS AMENDED BY P.L.118-2022,
41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2026]: Sec. 10.4. (a) This section does not apply to a mobile

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1 home that is offered for sale at auction under IC 9-22-1.5 or
2 IC 9-22-1.7 for the transfer resulting from the auction.

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

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

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

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

19 (c) The publisher of the Indiana Administrative Code shall publish
20 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative
21 Code.

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

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

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

- 29 (1) 50 IAC 5.1-6-6.
- 30 (2) 50 IAC 5.1-6-7.
- 31 (3) 50 IAC 5.1-6-8.
- 32 (4) 50 IAC 5.1-6-9.
- 33 (5) 50 IAC 5.1-8-1.
- 34 (6) 50 IAC 5.1-9-1.
- 35 (7) 50 IAC 5.1-9-2.

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

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

41 SECTION 11. IC 6-1.1-8-45, AS AMENDED BY P.L.230-2025,
42 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2025 (RETROACTIVE)]; Sec. 45. (a) This subsection
2 applies only to a taxpayer's assessable depreciable personal property
3 that is placed in service on or before January 1, 2025. Except as
4 provided in subsections (b) and (c); For each assessment date, the total
5 valuation of a taxpayer's assessable depreciable personal property in a
6 single taxing district may not be less than thirty percent (30%) of the
7 adjusted cost of all the taxpayer's assessable depreciable property in the
8 taxing district.

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

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

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

24 **Chapter 10.2. Exemptions for Indiana Nonprofit Senior Living**
25 **Communities**

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

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

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

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

- 40 (1) registered as a continuing care retirement community
41 under IC 23-2-4;
- 42 (2) defined as a small house health facility under

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

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

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

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

24 (2) a pension certificate or an award of compensation issued by
25 the United States Department of Veterans Affairs if the
26 individual claims the deduction provided by section 14 of this
27 chapter; or

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

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

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

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1 under a contract that provides that the individual is to pay property
2 taxes for the real estate, mobile home, or manufactured home, the
3 statement required by this section must contain the record number and
4 page where the contract or memorandum of the contract is recorded.

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

17 (1) the deceased spouse served in the military or naval forces of
18 the United States before November 12, 1918;

19 (2) the deceased spouse received an honorable discharge; and

20 (3) the surviving spouse:

21 (A) owns the real property, mobile home, or manufactured
22 home; or

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

25 on the date the statement required by section 17 of this chapter
26 is filed.

27 (b) A surviving spouse who receives the deduction provided by
28 this section may not receive the deduction provided by section 13 of
29 this chapter. However, the surviving spouse may receive any other
30 deduction which the surviving spouse is entitled to by law.

31 (c) An individual who has sold real property, a mobile home not
32 assessed as real property, or a manufactured home not assessed as real
33 property to another person under a contract that provides that the
34 contract buyer is to pay the property taxes on the real property, mobile
35 home, or manufactured home may not claim the deduction provided
36 under this section against that real property, mobile home, or
37 manufactured home.

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

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

41 SECTION 15. IC 6-1.1-12-17, AS AMENDED BY P.L.68-2025,
42 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2025 (RETROACTIVE)]; Sec. 17. (a) Except as
2 provided in section 17.8 of this chapter and subject to section 45 of this
3 chapter, a surviving spouse who desires to claim the deduction
4 provided by section 16 of this chapter must file a statement with the
5 auditor of the county in which the surviving spouse resides. To obtain
6 the deduction for a desired calendar year in which property taxes are
7 first due and payable, the statement must be completed, dated, and filed
8 with the county auditor on or before January 15 of the calendar year in
9 which the property taxes are first due and payable. The statement may
10 be filed in person or by mail. If mailed, the mailing must be postmarked
11 on or before the last day for filing. The statement shall contain:

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

14 (2) the record number and page where the contract or
15 memorandum of the contract is recorded, if the individual is
16 buying the real property on a contract that provides that the
17 individual is to pay property taxes on the real property.

18 In addition to the statement, the surviving spouse shall submit to the
19 county auditor for the auditor's inspection a letter or certificate from the
20 United States Department of Veterans Affairs establishing the service
21 of the deceased spouse in the military or naval forces of the United
22 States before November 12, 1918.

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

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

26 SECTION 16. IC 6-1.1-12-17.8, AS AMENDED BY THE
27 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
28 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2025 (RETROACTIVE)]; Sec. 17.8. (a) An individual
30 who receives a deduction provided under section 9 (before its
31 expiration), 11 (before its expiration), 13, 14, 16, (before its
32 expiration); 17.4 (before its expiration), or 37 of this chapter in a
33 particular year and who remains eligible for the deduction in the
34 following year is not required to file a statement to apply for the
35 deduction in the following year. However, for purposes of a deduction
36 under section 37 of this chapter, the county auditor may, in the county
37 auditor's discretion, terminate the deduction for assessment dates after
38 January 15, 2012, if the individual does not comply with the
39 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as
40 determined by the county auditor, before January 1, 2013. Before the
41 county auditor terminates the deduction because the taxpayer claiming
42 the deduction did not comply with the requirement in

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1 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
 2 the county auditor shall mail notice of the proposed termination of the
 3 deduction to:

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

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

9 (b) An individual who receives a deduction provided under section
 10 9 (before its expiration), 11 (before its expiration), 13, 14, 16, (before
 11 its expiration); or 17.4 (before its expiration) of this chapter in a
 12 particular year and who becomes ineligible for the deduction in the
 13 following year shall notify the auditor of the county in which the real
 14 property, mobile home, or manufactured home for which the individual
 15 claims the deduction is located of the individual's ineligibility in the
 16 year in which the individual becomes ineligible. An individual who
 17 becomes ineligible for a deduction under section 37 of this chapter
 18 shall notify the county auditor of the county in which the property is
 19 located in conformity with section 37 of this chapter.

20 (c) The auditor of each county shall, in a particular year, apply a
 21 deduction provided under section 9 (before its expiration), 11 (before
 22 its expiration), 13, 14, 16, (before its expiration); 17.4 (before its
 23 expiration), or 37 of this chapter to each individual who received the
 24 deduction in the preceding year unless the auditor determines that the
 25 individual is no longer eligible for the deduction.

26 (d) An individual who receives a deduction provided under section
 27 9 (before its expiration), 11 (before its expiration), 13, 14, 16, (before
 28 its expiration); 17.4 (before its expiration), or 37 of this chapter for
 29 property that is jointly held with another owner in a particular year and
 30 remains eligible for the deduction in the following year is not required
 31 to file a statement to reapply for the deduction following the removal
 32 of the joint owner if:

33 (1) the individual is the sole owner of the property following the
 34 death of the individual's spouse; or

35 (2) the individual is the sole owner of the property following the
 36 death of a joint owner who was not the individual's spouse.

37 If a county auditor terminates a deduction under section 9 of this
 38 chapter (before its expiration), a deduction under section 37 of this
 39 chapter, or a credit under IC 6-1.1-20.6-8.5 after June 30, 2017, and
 40 before May 1, 2019, because the taxpayer claiming the deduction or
 41 credit did not comply with a requirement added to this subsection by
 42 P.L.255-2017 to reapply for the deduction or credit, the county auditor



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

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

10 (1) the individual who occupies the real property receives a
11 deduction provided under section 9 (before its expiration), 11
12 (before its expiration), 13, 14, 16, (before its expiration); 17.4
13 (before its expiration), or 37 of this chapter in a particular year;
14 and

15 (2) the trust remains eligible for the deduction in the following
16 year.

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

21 (f) A cooperative housing corporation (as defined in 26 U.S.C.
22 216) that is entitled to a deduction under section 37 of this chapter in
23 the immediately preceding calendar year for a homestead (as defined
24 in section 37 of this chapter) is not required to file a statement to apply
25 for the deduction for the current calendar year if the cooperative
26 housing corporation remains eligible for the deduction for the current
27 calendar year. However, the county auditor may, in the county auditor's
28 discretion, terminate the deduction for assessment dates after January
29 15, 2012, if the individual does not comply with the requirement in
30 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
31 county auditor, before January 1, 2013. Before the county auditor
32 terminates a deduction because the taxpayer claiming the deduction did
33 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
34 January 1, 2015) before January 1, 2013, the county auditor shall mail
35 notice of the proposed termination of the deduction to:

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

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

41 (g) An individual who:

42 (1) was eligible for a homestead credit under IC 6-1.1-20.9

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1 (repealed) for property taxes imposed for the March 1, 2007, or
 2 January 15, 2008, assessment date; or

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

7 is not required to file a statement to apply for a deduction under section
 8 37 of this chapter if the individual remains eligible for the deduction in
 9 the current year. An individual who filed for a homestead credit under
 10 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 11 the property is real property), or after January 1, 2008 (if the property
 12 is personal property), shall be treated as an individual who has filed for
 13 a deduction under section 37 of this chapter. However, the county
 14 auditor may, in the county auditor's discretion, terminate the deduction
 15 for assessment dates after January 15, 2012, if the individual does not
 16 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 17 1, 2015), as determined by the county auditor, before January 1, 2013.
 18 Before the county auditor terminates the deduction because the
 19 taxpayer claiming the deduction did not comply with the requirement
 20 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,
 21 2013, the county auditor shall mail notice of the proposed termination
 22 of the deduction to the last known address of each person liable for any
 23 property taxes or special assessment, as shown on the tax duplicate or
 24 special assessment records, or to the last known address of the most
 25 recent owner shown in the transfer book.

26 (h) If a county auditor terminates a deduction because the taxpayer
 27 claiming the deduction did not comply with the requirement in
 28 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
 29 the county auditor shall reinstate the deduction if the taxpayer provides
 30 proof that the taxpayer is eligible for the deduction and is not claiming
 31 the deduction for any other property.

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

36 **(j) A surviving spouse who received the deduction provided by**
 37 **section 16 of this chapter for the January 1, 2024, assessment date**
 38 **is not required to file a statement to reapply for the deduction to**
 39 **receive the deduction for the January 1, 2025, assessment date. The**
 40 **county auditor shall apply the deduction provided by section 16 of**
 41 **this chapter for the surviving spouse for the January 1, 2025,**
 42 **assessment date on the surviving spouse's property tax statement**



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1 **for property taxes first due and payable in 2026.**

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

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

12 (A) a beneficial interest in the trust; or

13 (B) the right to occupy the real property rent free under the
14 terms of a qualified personal residence trust created by the
15 individual under United States Treasury Regulation
16 25.2702-5(c)(2); and

17 (2) otherwise qualifies for the deduction.

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

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

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

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

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

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

36 (A) that is located in Indiana;

37 (B) that:

38 (i) the individual owns;

39 (ii) the individual is buying under a contract recorded
40 in the county recorder's office, or evidenced by a
41 memorandum of contract recorded in the county
42 recorder's office under IC 36-2-11-20, that provides

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- 1 that the individual is to pay the property taxes on the
- 2 residence, and that obligates the owner to convey title
- 3 to the individual upon completion of all of the
- 4 individual's contract obligations;
- 5 (iii) the individual is entitled to occupy as a
- 6 tenant-stockholder (as defined in 26 U.S.C. 216) of a
- 7 cooperative housing corporation (as defined in 26
- 8 U.S.C. 216); or
- 9 (iv) is a residence described in section 17.9 of this
- 10 chapter ~~(before its expiration)~~ that is owned by a trust
- 11 if the individual is an individual described in section
- 12 17.9 of this chapter; ~~(before its expiration)~~; and
- 13 (C) that consists of a dwelling and includes up to one (1)
- 14 acre of land immediately surrounding that dwelling, and any
- 15 of the following improvements:
- 16 (i) Any number of decks, patios, gazebos, or pools.
- 17 (ii) One (1) additional building that is not part of the
- 18 dwelling if the building is predominantly used for a
- 19 residential purpose and is not used as an investment
- 20 property or as a rental property.
- 21 (iii) One (1) additional residential yard structure other
- 22 than a deck, patio, gazebo, or pool.

23 Except as provided in subsection (r), the term does not include
 24 property owned by a corporation, partnership, limited liability
 25 company, or other entity not described in this subdivision.

26 **(3) "Principal place of residence" means an individual's true,**
 27 **fixed, permanent home to which the individual has the**
 28 **intention of returning after an absence.**

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

- 35 (1) the assessment date; or
- 36 (2) any date in the same year after an assessment date that a
- 37 statement is filed under subsection (e) or section 44 of this
- 38 chapter, if the property consists of real property.

39 If more than one (1) individual or entity qualifies property as a
 40 homestead under subsection (a)(2)(B) for an assessment date, only one
 41 (1) standard deduction from the assessed value of the homestead may
 42 be applied for the assessment date. Subject to subsection (c), the

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1 auditor of the county shall record and make the deduction for the
2 individual or entity qualifying for the deduction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 purposes of the department. This amount becomes part of the property
2 tax liability for purposes of this article.

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

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

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

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

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

32 (k) A county auditor may require an individual to provide evidence
33 proving that the individual's residence is the individual's principal place
34 of residence as claimed in the certified statement filed under subsection
35 (e). The county auditor may limit the evidence that an individual is
36 required to submit to a state income tax return, a valid driver's license,
37 or a valid voter registration card showing that the residence for which
38 the deduction is claimed is the individual's principal place of residence.
39 The county auditor may not deny an application filed under section 44
40 of this chapter because the applicant does not have a valid driver's
41 license or state identification card with the address of the homestead
42 property. The department of local government finance shall work with

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

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

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

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

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

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

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

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

34 (m) If:

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

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

41 the county auditor shall inform the property owner of the county
42 auditor's determination in writing. If a property owner's property is not

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

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

10 (1) either:

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

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

18 (2) on the assessment date:

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

21 (B) the construction of the dwelling that constitutes the
22 homestead was not completed; and

23 (3) either:

24 (A) the individual files the certified statement required by
25 subsection (e); or

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

30 An individual who satisfies the requirements of subdivisions (1)
31 through (3) is entitled to the deduction under this section for the
32 homestead for the assessment date, even if on the assessment date the
33 property on which the homestead is currently located was vacant land
34 or the construction of the dwelling that constitutes the homestead was
35 not completed. The county auditor shall apply the deduction for the
36 assessment date and for the assessment date in any later year in which
37 the homestead remains eligible for the deduction. A homestead that
38 qualifies for the deduction under this section as provided in this
39 subsection is considered a homestead for purposes of section 37.5 of
40 this chapter and IC 6-1.1-20.6.

41 (o) This subsection applies to an application for the deduction
42 provided by this section that is filed for an assessment date occurring

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1 after December 31, 2013. Notwithstanding any other provision of this
 2 section, an individual buying a mobile home that is not assessed as real
 3 property or a manufactured home that is not assessed as real property
 4 under a contract providing that the individual is to pay the property
 5 taxes on the mobile home or manufactured home is not entitled to the
 6 deduction provided by this section unless the parties to the contract
 7 comply with IC 9-17-6-17.

8 (p) This subsection:

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

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

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

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

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

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

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

26 For property to qualify under this subsection for the deduction provided
 27 by this section, the individual described in subdivisions (1) through (3)
 28 must submit to the county auditor a copy of the individual's transfer
 29 orders or other information sufficient to show that the individual was
 30 ordered to transfer to a location outside Indiana. The property continues
 31 to qualify for the deduction provided by this section until the individual
 32 ceases to be on active duty, the property is sold, or the individual's
 33 ownership interest is otherwise terminated, whichever occurs first.
 34 Notwithstanding subsection (a)(2), the property remains a homestead
 35 regardless of whether the property continues to be the individual's
 36 principal place of residence after the individual transfers to a location
 37 outside Indiana. The property continues to qualify as a homestead
 38 under this subsection if the property is leased while the individual is
 39 away from Indiana and is serving on active duty, if the individual has
 40 lived at the property at any time during the past ten (10) years.
 41 Otherwise, the property ceases to qualify as a homestead under this
 42 subsection if the property is leased while the individual is away from



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1 Indiana. Property that qualifies as a homestead under this subsection
2 shall also be construed as a homestead for purposes of section 37.5 of
3 this chapter.

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

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

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

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

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

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

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

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

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

24 SECTION ~~45~~ [19. IC 6-1.1-12-43, AS AMENDED BY
25 P.L.230-2025, SECTION 37, AND AS AMENDED BY P.L.186-2025,
26 SECTION 292, AND AS AMENDED BY THE TECHNICAL
27 CORRECTIONS BILL OF THE 2026 GENERAL ASSEMBLY, IS
28 CORRECTED AND AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 43. (a) For
30 purposes of this section:

31 (1) "benefit" refers to a deduction under section 9 (before its
32 expiration), 11 (before its expiration), 13, ~~(before its expiration);~~
33 14, ~~(before its expiration);~~ 16, ~~(before its expiration);~~ 17.4
34 (before its expiration), 26 (before its expiration), 29 (before its
35 expiration), 33 (before its expiration), 34 (before its expiration),
36 37, or 37.5 of this chapter;

37 (2) "closing agent" means a person that closes a transaction;

38 (3) "customer" means an individual who obtains a loan in a
39 transaction; and

40 (4) "transaction" means a single family residential:

41 (A) first lien purchase money mortgage transaction; or

42 (B) refinancing transaction.

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1 (b) Before closing a transaction after December 31, 2004, a
 2 closing agent must provide to the customer the form referred to in
 3 subsection (c).

4 (c) ~~Before June 1, 2004,~~ The department of local government
 5 finance shall prescribe the form to be provided by closing agents to
 6 customers under subsection (b). The department shall make the form
 7 available to closing agents, county assessors, county auditors, and
 8 county treasurers in hard copy and electronic form. County assessors,
 9 county auditors, and county treasurers shall make the form available to
 10 the general public. The form must:

11 (1) on one (1) side:

12 (A) list each benefit; and

13 (B) list the eligibility criteria for each benefit;

14 (2) on the other side indicate:

15 (A) each action by and each type of documentation from the
 16 customer required to file for each benefit; and

17 (B) sufficient instructions and information to permit a party
 18 to terminate a standard deduction under section 37 of this
 19 chapter on any property on which the party or the spouse of
 20 the party will no longer be eligible for the standard
 21 deduction under section 37 of this chapter after the party or
 22 the party's spouse begins to reside at the property that is the
 23 subject of the closing, including an explanation of the tax
 24 consequences and applicable penalties, if a party unlawfully
 25 claims a standard deduction under section 37 of this
 26 chapter; and

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

31 (d) A closing agent:

32 (1) may reproduce the form referred to in subsection (c);

33 (2) in reproducing the form, must use a print color prescribed by
 34 the department of local government finance; and

35 (3) is not responsible for the content of the form referred to in
 36 subsection (c) and shall be held harmless by the department of
 37 local government finance from any liability for the content of the
 38 form.

39 (e) *This subsection applies to a transaction that is closed after*
 40 *December 31, 2009. In addition to providing the customer the form*
 41 *described in subsection (c) before closing the transaction, a closing*
 42 *agent shall do the following as soon as possible after the closing, and*



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1 within the time prescribed by the department of insurance under
 2 IC 27-7-3-15.5:

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

6 (2) Submit the form described in IC 27-7-3-15.5(c) to the data
 7 base described in IC 27-7-3-15.5(c)(2)(D):

8 (f) A closing agent to which this section applies shall document
 9 the closing agent's compliance with this section with respect to each
 10 transaction in the form of verification of compliance signed by the
 11 customer:

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

16 (1) may be enforced by the state agency that has administrative
 17 jurisdiction over the closing agent in the same manner that the
 18 agency enforces the payment of fees or other penalties payable
 19 to the agency; and

20 (2) shall be paid into:

21 (A) the state general fund, if the closing agent fails to
 22 comply with subsection (b); or

23 (B) the home ownership education account established by
 24 IC 5-20-1-27, if the closing agent fails to comply with
 25 subsection (e) in a transaction that is closed after
 26 December 31, 2009:

27 (h) A closing agent is not liable for any other damages claimed by
 28 a customer because of:

29 (1) the closing agent's mere failure to provide the appropriate
 30 document to the customer under subsection (b); or

31 (2) with respect to a transaction that is closed after December
 32 31, 2009; the closing agent's failure to input the information or
 33 submit the form described in subsection (e):

34 (i) The state agency that has administrative jurisdiction over a
 35 closing agent shall:

36 (1) examine the closing agent to determine compliance with this
 37 section; and

38 (2) impose and collect penalties under subsection (g):

39 SECTION 20. IC 6-1.1-12-46, AS AMENDED BY P.L.230-2025,
 40 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 46. (a) This section
 42 applies to real property for an assessment date in 2011 or a later year



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1 if:
 2 (1) the real property is not exempt from property taxation for the
 3 assessment date;
 4 (2) title to the real property is transferred after the assessment
 5 date and on or before the December 31 that next succeeds the
 6 assessment date;
 7 (3) the transferee of the real property applies for an exemption
 8 under IC 6-1.1-11 for the next succeeding assessment date; and
 9 (4) the county property tax assessment board of appeals
 10 determines that the real property is exempt from property
 11 taxation for that next succeeding assessment date.
 12 (b) For the assessment date referred to in subsection (a)(1), real
 13 property is eligible for any deductions for which the transferor under
 14 subsection (a)(2) was eligible for that assessment date under the
 15 following:
 16 (1) IC 6-1.1-12-1 (before its repeal).
 17 (2) IC 6-1.1-12-9 (before its expiration).
 18 (3) IC 6-1.1-12-11 (before its expiration).
 19 (4) IC 6-1.1-12-13.
 20 (5) IC 6-1.1-12-14.
 21 (6) IC 6-1.1-12-16. (before its expiration).
 22 (7) IC 6-1.1-12-17.4 (before its expiration).
 23 (8) IC 6-1.1-12-18 (before its expiration).
 24 (9) IC 6-1.1-12-22 (before its expiration).
 25 (10) IC 6-1.1-12-37.
 26 (11) IC 6-1.1-12-37.5.
 27 (c) For the payment date applicable to the assessment date referred
 28 to in subsection (a)(1), real property is eligible for the credit for
 29 excessive residential property taxes under IC 6-1.1-20.6 for which the
 30 transferor under subsection (a)(2) would be eligible for that payment
 31 date if the transfer had not occurred.
 32 SECTION 21]. IC 6-1.1-12.6-2, AS ADDED BY P.L.70-2008,
 33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 2. (a) This section
 35 applies only to a model residence that is first assessed as:
 36 (1) a partially completed structure; or
 37 (2) a fully completed structure;
 38 for the assessment date in 2009 or a later year.
 39 (b) Except as provided in subsection (c) and sections 4, 5, and 6
 40 of this chapter, and subject to sections 7 and 8 of this chapter, an owner
 41 of a model residence is entitled to a deduction from the assessed value
 42 of the model residence in the amount of fifty seventy-five percent[

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1 ~~50%~~ **(75%)** of the assessed value of the model residence for the
2 following:

- 3 (1) Not more than one (1) assessment date for which the model
- 4 residence is assessed as a partially completed structure.
- 5 (2) The assessment date for which the model residence is first
- 6 assessed as a fully completed structure.
- 7 (3) The two (2) assessment dates that immediately succeed the
- 8 assessment date referred to in subdivision (2).
- 9 (c) A deduction allowed for a model residence under this chapter
- 10 for a particular assessment date is terminated if the model residence is
- 11 sold:

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

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

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

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

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

37 SECTION ~~17~~ **[23]**. IC 6-1.1-12.6-8, AS ADDED BY
38 P.L.70-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 8. The
40 aggregate number of deductions claimed under this chapter for a
41 particular assessment date by the owners of model residences who are
42 a part of an affiliated group may not exceed ~~three (3)~~ **seven (7)**.



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1 SECTION ~~<18>~~[24]. IC 6-1.1-12.8-3, AS ADDED BY
 2 P.L.175-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) This
 4 chapter applies only to a residence in inventory that is first assessed as:

- 5 (1) a partially completed structure; or
 6 (2) a fully completed structure;

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

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

- 14 (1) Not more than one (1) assessment date for which the
 15 residence in inventory is assessed as a partially completed
 16 structure.
 17 (2) The assessment date for which the residence in inventory is
 18 first assessed as a fully completed structure.
 19 (3) The two (2) assessment dates that immediately succeed the
 20 assessment date referred to in subdivision (2).

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

- 24 (1) after the assessment date of that year but before January 1 of
 25 the following year; and
 26 (2) to a person for whom the real property does not qualify as a
 27 residence in inventory.

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

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

37 SECTION ~~<19>~~[25]. IC 6-1.1-12.8-4, AS AMENDED BY
 38 P.L.136-2024, SECTION 19, IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:
 40 Sec. 4. (a) A property owner that qualifies for the deduction under this
 41 chapter and that desires to receive the deduction for a calendar year
 42 must complete and date a statement containing the information



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1 required by subsection (b) and file the statement with the county
2 auditor on or before January 15 of the immediately succeeding calendar
3 year. The township assessor, or the county assessor if there is no
4 township assessor for the township, shall verify each statement filed
5 under this section, and the county auditor shall:

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

9 under this section.

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

12 (1) The assessed value of the real property for which the person
13 is claiming the deduction.

14 (2) The full name and complete business address of the person
15 claiming the deduction.

16 (3) The complete address and a brief description of the real
17 property for which the person is claiming the deduction.

18 (4) The name of any other county in which the person has
19 applied for a deduction under this chapter for that assessment
20 date.

21 (5) The complete address and a brief description of any other
22 real property for which the person has applied for a deduction
23 under this chapter for that assessment date.

24 (6) An affirmation by the owner that the owner is receiving not
25 more than ~~three (3)~~ **seven (7)** deductions under this chapter,
26 including the deduction being applied for by the owner, either:

27 (A) as the owner of the residence in inventory; or

28 (B) as an owner that is part of an affiliated group.

29 (7) An affirmation that the real property has not been leased and
30 will not be leased for any purpose during the term of the
31 deduction.

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

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



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

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

7 SECTION 2~~↔~~[7]. IC 6-1.1-12.8-10, AS ADDED BY
8 P.L.175-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 10. The
10 aggregate number of deductions claimed under this chapter for a
11 particular assessment date by the owners of residences in inventory
12 who are a part of an affiliated group may not exceed ~~three (3)~~: **seven**
13 **(7)**.

14 SECTION 2~~↔~~[8]. IC 6-1.1-17-1, AS AMENDED BY
15 P.L.230-2025, SECTION 41, IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:
17 Sec. 1. (a) On or before August 1 of each year, the county auditor shall
18 submit a certified statement of the assessed value for the ensuing year
19 to the department of local government finance in the manner prescribed
20 by the department.

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

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

33 (1) September 1;

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

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

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



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

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

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

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

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

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

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

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

37 SECTION 2 ~~↔~~ [9]. IC 6-1.1-18-28 IS REPEALED [EFFECTIVE
 38 JULY 1, 2026]. Sec. 28: (a) The executive of a township may, upon
 39 approval by the township fiscal body, submit a petition to the
 40 department of local government finance for an increase in the
 41 township's maximum permissible ad valorem property tax levy for its
 42 township firefighting and emergency services fund under

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

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

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

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

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

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

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

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

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

(2) an amount equal to the result of:

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

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

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

SECTION ~~24~~ [30]. IC 6-1.1-18-29 IS REPEALED [EFFECTIVE JULY 1, 2026]. See: 29. (a) The board of trustees of a fire protection district may, upon approval by the county legislative body, submit a petition to the department of local government finance for an increase in the fire protection district's maximum permissible ad valorem property tax levy for property taxes first due and payable in 2021 or for any year thereafter for which a petition is submitted under this section.

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

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

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

(A) the STEP ONE percentage; minus

(B) six percent (6%);

expressed as a decimal.

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- 1 STEP THREE: Determine a rate that is the lesser of:
- 2 (A) fifteen-hundredths (0.15); or
- 3 (B) the STEP TWO result.
- 4 STEP FOUR: Reduce the STEP THREE rate by any rate
- 5 increase in the fire protection district's property tax rate within
- 6 the immediately preceding ten (10) year period that was made
- 7 based on a petition submitted by the fire protection district under
- 8 this section.
- 9 (c) The fire protection district's maximum permissible ad valorem
- 10 property tax levy for property taxes first due and payable in a given
- 11 year, as adjusted under this section, shall be calculated as:
- 12 (1) the amount of the ad valorem property tax levy increase for
- 13 the fire protection district without regard to this section; plus
- 14 (2) an amount equal to the result of:
- 15 (A) the rate determined under the formula in subsection (b);
- 16 multiplied by
- 17 (B) the net assessed value of the fire protection district area
- 18 divided by one hundred (100).

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

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

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

39 STEP ONE: Determine the percentage increase in the
 40 population, as determined by the provider unit's fiscal body and
 41 as may be prescribed by the department of local government
 42 finance, that is within the fire protection territory area during the

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1 ten (10) year period immediately preceding the year in which the
 2 petition is submitted under subsection (a). The provider unit's
 3 fiscal body may use the most recently available population data
 4 issued by the Bureau of the Census during the ten (10) year
 5 period immediately preceding the petition.
 6 STEP TWO: Determine the greater of zero (0) or the result of:
 7 (A) the STEP ONE percentage; minus
 8 (B) six percent (6%);
 9 expressed as a decimal.
 10 STEP THREE: Determine a rate that is the lesser of:
 11 (A) fifteen-hundredths (0.15); or
 12 (B) the STEP TWO result.
 13 STEP FOUR: Reduce the STEP THREE rate by any rate
 14 increase in the fire protection territory's property tax rate for its
 15 fire protection territory fund within the immediately preceding
 16 ten (10) year period that was made based on a petition submitted
 17 by the fire protection territory under this section.
 18 (c) The fire protection territory's maximum permissible ad valorem
 19 property tax levy for its fire protection territory fund under
 20 IC 36-8-19-8 for property taxes first due and payable in a given year;
 21 as adjusted under this section; shall be calculated as:
 22 (1) the amount of the ad valorem property tax levy increase for
 23 the fire protection territory fund without regard to this section;
 24 plus
 25 (2) an amount equal to the result of:
 26 (A) the rate determined under the formula in subsection (b);
 27 multiplied by
 28 (B) the net assessed value of the fire protection territory
 29 area divided by one hundred (100).
 30 The calculation under this subsection shall be used in the determination
 31 of the fire protection territory's maximum permissible ad valorem
 32 property tax levy under IC 36-8-19-8 for property taxes first due and
 33 payable in the first year of the increase and thereafter.
 34 SECTION ~~26~~ [32]. IC 6-1.1-18.5-7, AS AMENDED BY
 35 P.L.159-2020, SECTION 32, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) A civil taxing
 37 unit is not subject to the levy limits imposed by section 3 of this chapter
 38 for an ensuing calendar year if the civil taxing unit did not adopt an ad
 39 valorem property tax levy for the immediately preceding calendar year.
 40 **exist as of January 1 in the calendar year that immediately**
 41 **precedes the ensuing calendar year.**
 42 (b) If under subsection (a) a civil taxing unit is not subject to the

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

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

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

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

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1 SECTION ~~28~~ [34]. IC 6-1.1-20.6-3, AS AMENDED BY
2 P.L.68-2025, SECTION 73, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. As used
4 in this chapter, "property tax liability" means, for purposes of:

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

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

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

24 SECTION ~~29~~ [35]. IC 6-1.1-20.6-9.5, AS AMENDED BY
25 P.L.272-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9.5. (a)
27 This section applies only to credits under this chapter against property
28 taxes first due and payable after December 31, 2006.

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

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

37 SECTION ~~3~~ [6]. IC 6-1.1-20.6-9.8, AS AMENDED BY
38 P.L.9-2024, SECTION 171, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) This section applies to
40 property taxes first due and payable after December 31, 2009.

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

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

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

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1 (2) there is not a fund receiving only unprotected taxes from
 2 which to distribute revenue;
 3 the revenue distributed to the fund receiving protected taxes must also
 4 be reduced. If the revenue distributed to a fund receiving protected
 5 taxes is reduced, the political subdivision may transfer money from one
 6 (1) or more of the other funds of the political subdivision to offset the
 7 loss in revenue to the fund receiving protected taxes. The transfer is
 8 limited to the amount necessary for the fund receiving protected taxes
 9 to receive the revenue specified under subsection (c). The amount
 10 transferred shall be specifically identified as a debt service obligation
 11 transfer for each affected fund.

12 SECTION 3 ~~4~~ 7. IC 6-1.1-20.6-9.9, AS AMENDED BY
 13 P.L.236-2023, SECTION 39, IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.9. (a) This subsection
 15 applies to credits allocated before January 1, 2024. If:

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

- 20 (A) to refinance or renew prior bond or lease rental
- 21 obligations existing before January 1, 2017; or
- 22 (B) indebtedness that is approved in a local public question
- 23 or referendum under IC 6-1.1-20 or any other law; and

24 (2) the school corporation's:
 25 (A) total debt service levy is greater than the school
 26 corporation's total debt service levy in 2016; and
 27 (B) total debt service tax rate is greater than the school
 28 corporation's total debt service tax rate in 2016;

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

31 (b) This subsection applies to credits allocated after December 31,
 32 2023. A school corporation is not eligible to allocate credits
 33 proportionately under this section, if a school corporation after July 1,
 34 2023, issues new bonds or enters into a new lease rental agreement for
 35 which the school corporation is imposing or will impose a debt service
 36 levy other than:

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

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

42 (c) Subject to subsection (a) (before January 1, 2024) and

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1 subsection (b) (after December 31, 2023), a school corporation is
 2 eligible to allocate credits proportionately under this section for 2019,
 3 2020, 2021, 2022, 2023, 2024, 2025, or 2026 if the school corporation's
 4 percentage computed under this subsection is at least ten percent (10%)
 5 for its operations fund levy as certified by the department of local
 6 government finance. A school corporation shall compute its percentage
 7 under this subsection as determined under the following formula:

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

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

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

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

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

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

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

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

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

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

41 (e) For a school corporation that is certified as eligible under this
 42 section, the school corporation may allocate the effect of the credits



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1 granted under this chapter **and IC 6-1.1-49** proportionately among all
 2 the school corporation's property tax funds that are not exempt under
 3 section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund
 4 and without taking into account the requirements of section 9.8 of this
 5 chapter regarding protected taxes as determined under the following
 6 formula:

7 STEP ONE: Determine the product of:

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

10 (B) five (5).

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

13 STEP THREE: Determine the product of:

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

16 (B) the STEP TWO percentage.

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

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

24 SECTION 3 ~~↔~~ [8]. IC 6-1.1-21.2-4, AS AMENDED BY
 25 P.L.146-2008, SECTION 232, IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. As used in this
 27 chapter, "base assessed value" means the base assessed value as that
 28 term is defined or used in:

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

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

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

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

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

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

35 (7) IC 36-7-14-48;

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

37 (9) IC 36-7-15.1-26(a);

38 (10) IC 36-7-15.1-26.2(c);

39 (11) IC 36-7-15.1-35(a);

40 (12) IC 36-7-15.1-35.5;

41 (13) IC 36-7-15.1-53;

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



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- 1 (15) IC 36-7-30-25(a)(2);
- 2 (16) IC 36-7-30-26(c);
- 3 (17) IC 36-7-30.5-30; or
- 4 (18) IC 36-7-30.5-31.

5 SECTION 3 ~~39~~[9]. IC 6-1.1-21.2-7, AS AMENDED BY
 6 P.L.146-2008, SECTION 236, IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. As used in this
 8 chapter, "property taxes" means:

9 (1) property taxes, as defined in:

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

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

25 SECTION ~~34~~[40]. IC 6-1.1-24-3.1 IS ADDED TO THE
 26 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2026]: **Sec. 3.1. (a) As used in this section,**
 28 **"common area" has the meaning set forth in IC 6-1.1-10-37.5(a).**

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

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

- 36 **(1) executive of a city or town, if the common area is located**
 37 **within the corporate boundaries of a city or town; or**
- 38 **(2) county executive, if the common area is located in the**
 39 **unincorporated area of a county;**

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

42 SECTION ~~35~~[41]. IC 6-1.1-24-5.7, AS AMENDED BY

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

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

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

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



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- 1 (2) if the person does not meet the conditions described in
- 2 subdivision (1) within fifteen (15) days after the written notice
- 3 is mailed, apply the surplus amount of the person's bid, if any, to
- 4 the delinquent taxes, special assessments, penalties, and interest
- 5 on the real property;
- 6 (3) remit the amounts owed from a final adjudication or civil
- 7 penalties in favor of a political subdivision to the political
- 8 subdivision;
- 9 (4) notify the county auditor that the sale has been forfeited; and
- 10 (5) file with the county recorder a certification identifying the
- 11 forfeited sale that includes:
- 12 (A) the date of the sale;
- 13 (B) the name of the buyer;
- 14 (C) the property identification number of the real property;
- 15 (D) the real property's legal description; and
- 16 (E) a statement that the sale has been forfeited and is null
- 17 and void because the buyer was not eligible to purchase the
- 18 real property.

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

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

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

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

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

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

8 SECTION ~~36~~[42]. IC 6-1.1-24-5.9 IS ADDED TO THE
 9 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 5.9. (a) As**
 11 **used in this section, "business entity" refers to any of the following:**

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

27 (b) An individual or business entity may not bid or purchase
 28 a tract or item of real property offered for sale under section 5 or
 29 6.1 of this chapter if:

- 30 (1) the individual; or
- 31 (2) an individual with a significant ownership interest or
 32 financial interest in the business entity also held a significant
 33 ownership interest or financial interest in another business
 34 entity that;

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

39 SECTION ~~37~~[43]. IC 6-1.1-24-9, AS AMENDED BY
 40 P.L.26-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a)
 42 Immediately after a tax sale purchaser pays the bid, as evidenced by the



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1 receipt of the county treasurer, or immediately after the county acquires
 2 a lien under section 6 of this chapter, the county auditor shall deliver
 3 a certificate of sale to the purchaser or to the county or to the city. The
 4 certificate shall be signed by the auditor and registered in the auditor's
 5 office. The certificate shall contain:

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

8 (2) the name of:

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

11 (B) at least one (1) of the owners of real property with
 12 multiple owners;

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

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

16 (5) the date of sale;

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

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

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

23 (9) the court cause number under which judgment was obtained;
 24 and

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

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

31 (c) A certificate of sale is assignable. However, a purchaser who
 32 acquires a certificate of sale may not assign the certificate of sale to a
 33 person who was not eligible under section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this
 34 chapter to bid on or purchase real property at a tax sale held under
 35 section 5 or 6.1 of this chapter until the person satisfies the eligibility
 36 requirements as determined by the county auditor. In addition to the
 37 prohibition on the assignment of a tax sale certificate to a person
 38 described in section 5.1, 5.3, ~~or 5.4~~, **or 5.9** of this chapter until the
 39 person satisfies the eligibility requirements as determined by the county
 40 auditor, a county legislative body may adopt an ordinance further
 41 prohibiting the assignment of a certificate of sale acquired at a
 42 treasurer's sale (pursuant to section 5 of this chapter) or at a county



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1 executive's tax sale (pursuant to section 6.1 of this chapter) prior to the
2 issuance of a tax deed for the real property by the county auditor.

3 (d) An assignment not prohibited by an ordinance adopted under
4 subsection (c) is not valid unless the county auditor first determines the
5 person is eligible to receive the assignment. If the county auditor
6 determines the person is eligible to receive the assignment, the
7 following requirements apply:

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

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

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

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

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

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

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

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

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



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1 the taxes attributable to the lesser of:
 2 (A) the assessed value of the property for the assessment
 3 date with respect to which the allocation and distribution is
 4 made; or
 5 (B) the base assessed value;
 6 shall be allocated to and, when collected, paid into the funds of
 7 the respective taxing units. However, if the effective date of the
 8 allocation provision of a declaratory ordinance is after March 1,
 9 1985, and before January 1, 1986, and if an improvement to
 10 property was partially completed on March 1, 1985, the unit may
 11 provide in the declaratory ordinance that the taxes attributable to
 12 the assessed value of the property as finally determined for
 13 March 1, 1984, shall be allocated to and, when collected, paid
 14 into the funds of the respective taxing units.
 15 (2) Except as otherwise provided in this section, part or all of the
 16 property tax proceeds in excess of those described in subdivision
 17 (1), as specified in the declaratory ordinance, shall be allocated
 18 to the unit for the economic development district and, when
 19 collected, paid into a special fund established by the unit for that
 20 economic development district that may be used only to pay the
 21 principal of and interest on obligations owed by the unit under
 22 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
 23 industrial development programs in, or serving, that economic
 24 development district. The amount not paid into the special fund
 25 shall be paid to the respective units in the manner prescribed by
 26 subdivision (1).
 27 (3) When the money in the fund is sufficient to pay all
 28 outstanding principal of and interest (to the earliest date on
 29 which the obligations can be redeemed) on obligations owed by
 30 the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the
 31 financing of industrial development programs in, or serving, that
 32 economic development district, money in the special fund in
 33 excess of that amount shall be paid to the respective taxing units
 34 in the manner prescribed by subdivision (1).
 35 (b) Property tax proceeds allocable to the economic development
 36 district under subsection (a)(2) must, subject to subsection (a)(3), be
 37 irrevocably pledged by the unit for payment as set forth in subsection
 38 (a)(2).
 39 (c) For the purpose of allocating taxes levied by or for any taxing
 40 unit or units, the assessed value of taxable property in a territory in the
 41 economic development district that is annexed by any taxing unit after
 42 the effective date of the allocation provision of the declaratory

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1 ordinance is the lesser of:

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

4 (2) the base assessed value.

5 (d) Notwithstanding any other law, each assessor shall, upon
6 petition of the fiscal body, reassess the taxable property situated upon
7 or in, or added to, the economic development district effective on the
8 next assessment date after the petition.

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

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

16 (2) the base assessed value.

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

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



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1 **than July 15, that it is unable to meet its debt service obligations**
 2 **with regard to the allocation area without all or part of the**
 3 **allocated tax proceeds attributed to the assessed value that has**
 4 **been allocated to the respective taxing units, then the county**
 5 **auditor may not allocate five percent (5%) of the assessed value in**
 6 **the allocation area that is used to calculate the allocation and**
 7 **distribution of allocated tax proceeds under this section to the**
 8 **respective taxing units.**

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

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

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

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

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

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

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



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

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

5 SECTION ~~39~~[45]. IC 6-1.1-41-4, AS AMENDED BY
6 P.L.38-2021, SECTION 40, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) A political subdivision that
8 in any year adopts a proposal under this chapter must submit the
9 proposal to the department of local government finance:

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

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

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

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

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

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

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

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

35 SECTION 4~~6~~[6]. IC 6-3.6-3-2, AS AMENDED BY
36 P.L.159-2020, SECTION 54, IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) An adopting body
38 or, if authorized by this article, another governmental entity that is not
39 an adopting body, may take an action under this article only by
40 ordinance, unless this article permits the action to be taken by
41 resolution.

42 (b) The department of local government finance, in consultation



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

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

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

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

- 37 (1) To make the following distributions:
 38 (A) If an ordinance described in section 2.5 of this chapter
 39 is in effect in a county, to make a distribution to the county
 40 equal to the amount of revenue generated by the rate
 41 imposed under section 2.5 of this chapter.
 42 (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.

42 (B) The individual received an honorable discharge.



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

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1 section in the previous calendar year.
 2 (iii) A World War I veteran.
 3 (B) The individual does not own property to which a
 4 property tax deduction may be applied under
 5 IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16. (before
 6 its expiration):
 7 (c) The amount of the credit that may be claimed under this
 8 section is equal to the lesser of the following:
 9 (1) The amount of the excise tax liability for the individual's
 10 vehicle as determined under section 3 or 3.5 of this chapter, as
 11 applicable.
 12 (2) Seventy dollars (\$70).
 13 (d) The maximum number of motor vehicles for which an
 14 individual may claim a credit under this section is two (2).
 15 (e) An individual may not claim a credit under both:
 16 (1) this section; and
 17 (2) section 5 of this chapter.
 18 (f) The credit allowed by this section must be claimed on a form
 19 prescribed by the bureau. An individual claiming the credit must attach
 20 to the form an affidavit from the county auditor stating that the
 21 claimant does not own property to which a property tax deduction may
 22 be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16.
 23 (before its expiration):
 24] SECTION ~~42~~ [50]. IC 6-9-32-3, AS AMENDED BY
 25 P.L.9-2024, SECTION 245, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county
 27 may levy a tax on every person engaged in the business of renting or
 28 furnishing, for periods of less than thirty (30) days, any room or rooms,
 29 lodgings, or accommodations in any:
 30 (1) hotel;
 31 (2) motel;
 32 (3) boat motel;
 33 (4) inn; or
 34 (5) tourist cabin;
 35 located in the county.
 36 (b) The tax does not apply to gross income received in a
 37 transaction in which a person rents a room, lodging, or
 38 accommodations for a period of thirty (30) days or more.
 39 (c) The tax may not exceed the rate of ~~five percent (5%)~~ **eight**
 40 **percent (8%)** on the gross retail income derived from lodging income
 41 only and is in addition to the state gross retail tax imposed under
 42 IC 6-2.5.

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

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

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

22 SECTION ~~43~~[51]. IC 8-22-3.5-11, AS AMENDED BY
23 P.L.86-2018, SECTION 144, IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The state board
25 of accounts and the department of local government finance shall make
26 the rules and prescribe the forms and procedures that the state board of
27 accounts and department consider appropriate for the implementation
28 of this chapter.

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

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

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

19 SECTION ~~44~~[52]. IC 36-1-12-3, AS AMENDED BY
 20 P.L.86-2025, SECTION 1, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. (a) The
 22 board may purchase or lease materials in the manner provided in
 23 IC 5-22 and perform any public work, by means of its own workforce,
 24 without awarding a contract whenever the cost of that public work
 25 project is estimated to be less than three hundred seventy-five thousand
 26 dollars (\$375,000), adjusted annually by ~~the~~ **an amount equal to the**
 27 **unadjusted** percentage change **for all items** in the Consumer Price
 28 Index for all Urban Consumers as published by the United States
 29 Bureau of Labor Statistics **for the immediately preceding year. On**
 30 **or before January 15, 2026, and on or before January 1 of each**
 31 **year thereafter**, the department of local government finance shall
 32 annually publish the adjusted cost estimate threshold for the current
 33 year, determined in the manner required by this subsection, ~~on the~~
 34 ~~department's website:~~ **in the Indiana Register under IC 4-22-7-7. For**
 35 **purposes of applying the annual cost estimate threshold**
 36 **adjustment, the annual percentage change is applied to the**
 37 **adjusted amount for the immediately preceding year.**

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

42 (c) For purposes of ~~this subsection,~~ **determining** the cost of a



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1 public work project, **the cost** includes:

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

7 ~~(b)~~ **(d)** This subsection applies only to a municipality or a county.

8 The workforce of a municipality or county may perform a public work
 9 described in subsection (a) only if:

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

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

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

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

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

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

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

40 ~~(e)~~ **(g)** Municipal and county hospitals must comply with this
 41 chapter for all contracts for public work that are financed in whole or
 42 in part with cumulative building fund revenue, as provided in section



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1 1(c) of this chapter. However, if the cost of the public work is
 2 estimated to be less than fifty thousand dollars (\$50,000), as reflected
 3 in the board minutes, the hospital board may have the public work done
 4 without receiving bids, by purchasing the materials and performing the
 5 work by means of its own workforce and owned or leased equipment.

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

13 SECTION ~~<45>~~ [53]. IC 36-1-12.5-10, AS AMENDED BY
 14 P.L.233-2015, SECTION 331, IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. The governing body
 16 shall

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

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

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

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

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

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

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

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

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

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

32 ~~(2)~~ **(2)** annually report to the director of the department of local
 33 government finance; in accordance with procedures established
 34 by the department, the savings resulting in the previous year
 35 from the guaranteed savings contract or utility efficiency
 36 program.

37 SECTION ~~<46>~~ [54]. IC 36-1-12.5-12, AS AMENDED BY
 38 P.L.233-2015, SECTION 332, IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 12. ~~(a)~~ An
 40 improvement that is not causally connected to a conservation measure
 41 may be included in a guaranteed savings contract if:

42 (1) the total value of the improvement does not exceed fifteen



- 1 percent (15%) of the total value of the guaranteed savings
- 2 contract; and
- 3 (2) either:
- 4 (A) the improvement is necessary to conform to a law, a
- 5 rule, or an ordinance; or
- 6 (B) an analysis within the guaranteed savings contract
- 7 demonstrates that:
- 8 (i) there is an economic advantage to the political
- 9 subdivision in implementing an improvement as part of
- 10 the guaranteed savings contract; and
- 11 (ii) the savings justification for the improvement is
- 12 documented by industry engineering standards.

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

15 SECTION ~~47~~ [55]. IC 36-7-14-39, AS AMENDED BY
 16 P.L.181-2025, SECTION 20, IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 39. (a) As used in this
 18 section:

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

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

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

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

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1 the effective date of the allocation provision of the
 2 declaratory resolution, as adjusted under subsection (h);
 3 plus
 4 (B) to the extent that it is not included in clause (A), the net
 5 assessed value of property that is assessed as residential
 6 property under the rules of the department of local
 7 government finance, as finally determined for the current
 8 assessment date.

9 (3) If:
 10 (A) an allocation provision adopted before June 30, 1995,
 11 in a declaratory resolution or an amendment to a declaratory
 12 resolution establishing a redevelopment project area expires
 13 after June 30, 1997; and

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

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

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

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

33 Except as provided in section 39.3 of this chapter, "property taxes"
 34 means taxes imposed under IC 6-1.1 on real property. However, upon
 35 approval by a resolution of the redevelopment commission adopted
 36 before June 1, 1987, "property taxes" also includes taxes imposed
 37 under IC 6-1.1 on depreciable personal property. If a redevelopment
 38 commission adopted before June 1, 1987, a resolution to include within
 39 the definition of property taxes, taxes imposed under IC 6-1.1 on
 40 depreciable personal property that has a useful life in excess of eight
 41 (8) years, the commission may by resolution determine the percentage
 42 of taxes imposed under IC 6-1.1 on all depreciable personal property

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1 that will be included within the definition of property taxes. However,
 2 the percentage included must not exceed twenty-five percent (25%) of
 3 the taxes imposed under IC 6-1.1 on all depreciable personal property.
 4 (b) A declaratory resolution adopted under section 15 of this
 5 chapter on or before the allocation deadline determined under
 6 subsection (i) may include a provision with respect to the allocation
 7 and distribution of property taxes for the purposes and in the manner
 8 provided in this section. A declaratory resolution previously adopted
 9 may include an allocation provision by the amendment of that
 10 declaratory resolution on or before the allocation deadline determined
 11 under subsection (i) in accordance with the procedures required for its
 12 original adoption. A declaratory resolution or amendment that
 13 establishes an allocation provision must include a specific finding of
 14 fact, supported by evidence, that the adoption of the allocation
 15 provision will result in new property taxes in the area that would not
 16 have been generated but for the adoption of the allocation provision.
 17 For an allocation area established before July 1, 1995, the expiration
 18 date of any allocation provisions for the allocation area is June 30,
 19 2025, or the last date of any obligations that are outstanding on July 1,
 20 2015, whichever is later. A declaratory resolution or an amendment
 21 that establishes an allocation provision after June 30, 1995, must
 22 specify an expiration date for the allocation provision. For an allocation
 23 area established before July 1, 2008, the expiration date may not be
 24 more than thirty (30) years after the date on which the allocation
 25 provision is established. For an allocation area established after June
 26 30, 2008, the expiration date may not be more than twenty-five (25)
 27 years after the date on which the first obligation was incurred to pay
 28 principal and interest on bonds or lease rentals on leases payable from
 29 tax increment revenues. However, with respect to bonds or other
 30 obligations that were issued before July 1, 2008, if any of the bonds or
 31 other obligations that were scheduled when issued to mature before the
 32 specified expiration date and that are payable only from allocated tax
 33 proceeds with respect to the allocation area remain outstanding as of
 34 the expiration date, the allocation provision does not expire until all of
 35 the bonds or other obligations are no longer outstanding.
 36 Notwithstanding any other law, in the case of an allocation area that is
 37 established after June 30, 2019, and that is located in a redevelopment
 38 project area described in section 25.1(c)(3)(C) of this chapter, an
 39 economic development area described in section 25.1(c)(3)(C) of this
 40 chapter, or an urban renewal project area described in section
 41 25.1(c)(3)(C) of this chapter, the expiration date of the allocation
 42 provision may not be more than thirty-five (35) years after the date on

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1 which the allocation provision is established. The allocation provision
2 may apply to all or part of the redevelopment project area. The
3 allocation provision must require that any property taxes subsequently
4 levied by or for the benefit of any public body entitled to a distribution
5 of property taxes on taxable property in the allocation area be allocated
6 and distributed as follows:

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

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

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

15 (2) This subdivision applies to a fire protection territory
16 established after December 31, 2022. If a unit becomes a
17 participating unit of a fire protection territory that is established
18 after a declaratory resolution is adopted under section 15 of this
19 chapter, the excess of the proceeds of the property taxes
20 attributable to an increase in the property tax rate for the
21 participating unit of a fire protection territory:

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

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

28 STEP TWO: Subtract the STEP ONE amount from one
29 (1).

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

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

40 However, if the redevelopment commission determines that it is
41 unable to meet its debt service obligations with regards to the
42 allocation area without all or part of the allocated property tax

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1 revenue pass back to the participating unit of a fire protection
2 area under this subdivision, then the allocated property tax
3 revenue pass back under this subdivision shall be reduced by the
4 amount necessary for the redevelopment commission to meet its
5 debt service obligations of the allocation area. The calculation
6 under this subdivision must be made by the redevelopment
7 commission in collaboration with the county auditor and the
8 applicable fire protection territory. Any calculation determined
9 according to clause (A) must be submitted to the department of
10 local government finance in the manner prescribed by the
11 department of local government finance. The department of local
12 government finance shall verify the accuracy of each calculation.
13 (3) The excess of the proceeds of the property taxes imposed for
14 the assessment date with respect to which the allocation and
15 distribution is made that are attributable to taxes imposed after
16 being approved by the voters in a referendum or local public
17 question conducted after April 30, 2010, not otherwise included
18 in subdivisions (1) and (2) shall be allocated to and, when
19 collected, paid into the funds of the taxing unit for which the
20 referendum or local public question was conducted.
21 (4) Except as otherwise provided in this section, property tax
22 proceeds in excess of those described in subdivisions (1), (2),
23 and (3) shall be allocated to the redevelopment district and,
24 when collected, paid into an allocation fund for that allocation
25 area that may be used by the redevelopment district only to do
26 one (1) or more of the following:
27 (A) Pay the principal of and interest on any obligations
28 payable solely from allocated tax proceeds which are
29 incurred by the redevelopment district for the purpose of
30 financing or refinancing the redevelopment of that
31 allocation area.
32 (B) Establish, augment, or restore the debt service reserve
33 for bonds payable solely or in part from allocated tax
34 proceeds in that allocation area.
35 (C) Pay the principal of and interest on bonds payable from
36 allocated tax proceeds in that allocation area and from the
37 special tax levied under section 27 of this chapter.
38 (D) Pay the principal of and interest on bonds issued by the
39 unit to pay for local public improvements that are physically
40 located in or physically connected to that allocation area.
41 (E) Pay premiums on the redemption before maturity of
42 bonds payable solely or in part from allocated tax proceeds

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- 1 in that allocation area.
- 2 (F) Make payments on leases payable from allocated tax
- 3 proceeds in that allocation area under section 25.2 of this
- 4 chapter.
- 5 (G) Reimburse the unit for expenditures made by it for local
- 6 public improvements (which include buildings, parking
- 7 facilities, and other items described in section 25.1(a) of
- 8 this chapter) that are physically located in or physically
- 9 connected to that allocation area.
- 10 (H) Reimburse the unit for rentals paid by it for a building
- 11 or parking facility that is physically located in or physically
- 12 connected to that allocation area under any lease entered
- 13 into under IC 36-1-10.
- 14 (I) For property taxes first due and payable before January
- 15 1, 2009, pay all or a part of a property tax replacement
- 16 credit to taxpayers in an allocation area as determined by
- 17 the redevelopment commission. This credit equals the
- 18 amount determined under the following STEPS for each
- 19 taxpayer in a taxing district (as defined in IC 6-1.1-1-20)
- 20 that contains all or part of the allocation area:
- 21 STEP ONE: Determine that part of the sum of the amounts
- 22 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 23 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 24 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable
- 25 to the taxing district.
- 26 STEP TWO: Divide:
- 27 (i) that part of each county's eligible property tax
- 28 replacement amount (as defined in IC 6-1.1-21-2
- 29 (before its repeal)) for that year as determined under
- 30 IC 6-1.1-21-4 (before its repeal) that is attributable to
- 31 the taxing district; by
- 32 (ii) the STEP ONE sum.
- 33 STEP THREE: Multiply:
- 34 (i) the STEP TWO quotient; times
- 35 (ii) the total amount of the taxpayer's taxes (as defined
- 36 in IC 6-1.1-21-2 (before its repeal)) levied in the taxing
- 37 district that have been allocated during that year to an
- 38 allocation fund under this section.
- 39 If not all the taxpayers in an allocation area receive the
- 40 credit in full, each taxpayer in the allocation area is entitled
- 41 to receive the same proportion of the credit. A taxpayer may
- 42 not receive a credit under this section and a credit under

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section 39.5 of this chapter (before its repeal) in the same year.

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

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

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

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

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

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

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

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1 (N) Expend revenues that are allocated for police and fire
 2 services on both capital expenditures and operating
 3 expenses as authorized in section 12.2(a)(28) of this
 4 chapter.
 5 The allocation fund may not be used for operating expenses of
 6 the commission.
 7 (5) Except as provided in subsection (g), before June 15 of each
 8 year, the commission shall do the following:
 9 (A) Determine the amount, if any, by which the assessed
 10 value of the taxable property in the allocation area for the
 11 most recent assessment date minus the base assessed value,
 12 when multiplied by the estimated tax rate of the allocation
 13 area, will exceed the amount of assessed value needed to
 14 produce the property taxes necessary to make, when due,
 15 principal and interest payments on bonds described in
 16 subdivision (4), plus the amount necessary for other
 17 purposes described in subdivision (4).
 18 (B) Provide a written notice to the county auditor, the fiscal
 19 body of the county or municipality that established the
 20 department of redevelopment, and the officers who are
 21 authorized to fix budgets, tax rates, and tax levies under
 22 IC 6-1.1-17-5 for each of the other taxing units that is
 23 wholly or partly located within the allocation area. The
 24 county auditor, upon receiving the notice, shall forward this
 25 notice (in an electronic format) to the department of local
 26 government finance not later than June 15 of each year. The
 27 notice must:
 28 (i) state the amount, if any, of excess assessed value
 29 that the commission has determined may be allocated
 30 to the respective taxing units in the manner prescribed
 31 in subdivision (1); or
 32 (ii) state that the commission has determined that there
 33 is no excess assessed value that may be allocated to the
 34 respective taxing units in the manner prescribed in
 35 subdivision (1).
 36 The county auditor shall allocate to the respective taxing
 37 units the amount, if any, of excess assessed value
 38 determined by the commission. The commission may not
 39 authorize an allocation of assessed value to the respective
 40 taxing units under this subdivision if to do so would
 41 endanger the interests of the holders of bonds described in
 42 subdivision (4) or lessors under section 25.3 of this chapter.

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

18 (C) If:

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

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

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

35 (6) Notwithstanding subdivision (5), in the case of an allocation
 36 area that is established after June 30, 2019, and that is located in
 37 a redevelopment project area described in section 25.1(c)(3)(C)
 38 of this chapter, an economic development area described in
 39 section 25.1(c)(3)(C) of this chapter, or an urban renewal project
 40 area described in section 25.1(c)(3)(C) of this chapter, for each
 41 year the allocation provision is in effect, if the amount of excess
 42 assessed value determined by the commission under subdivision



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1 (5)(A) is expected to generate more than two hundred percent
2 (200%) of:

3 (A) the amount of allocated tax proceeds necessary to make,
4 when due, principal and interest payments on bonds
5 described in subdivision (4) for the project; plus

6 (B) the amount necessary for other purposes described in
7 subdivision (4) for the project;

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

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 declaratory resolution is the
16 lesser of:

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

19 (2) the base assessed value.

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

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

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

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

35 (2) the base assessed value.

36 (g) If any part of the allocation area is located in an enterprise zone
37 created under IC 5-28-15, the unit that designated the allocation area
38 shall create funds as specified in this subsection. A unit that has
39 obligations, bonds, or leases payable from allocated tax proceeds under
40 subsection (b)(4) shall establish an allocation fund for the purposes
41 specified in subsection (b)(4) and a special zone fund. Such a unit
42 shall, until the end of the enterprise zone phase out period, deposit each



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

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

42 (1) may not include the effect of phasing in assessed value due



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1 to property tax abatements under IC 6-1.1-12.1;
 2 (2) may not produce less property tax proceeds allocable to the
 3 redevelopment district under subsection (b)(4) than would
 4 otherwise have been received if the reassessment under the
 5 reassessment plan or the annual adjustment had not occurred;
 6 and
 7 (3) may decrease base assessed value only to the extent that
 8 assessed values in the allocation area have been decreased due
 9 to annual adjustments or the reassessment under the
 10 reassessment plan.

11 Assessed value increases attributable to the application of an abatement
 12 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 13 value of an allocation area. ~~The department of local government~~
 14 ~~finance may prescribe procedures for county and township officials to~~
 15 ~~follow to assist the department in making the adjustments.~~ **The county**
 16 **auditor shall, in the manner prescribed by the department of local**
 17 **government finance, submit the forms required by this subsection**
 18 **to the department of local government finance no later than July**
 19 **15 of each year. If the county auditor fails to submit the forms by**
 20 **the deadline under this subsection, the county auditor shall allocate**
 21 **five percent (5%) of the assessed value in the allocation area that**
 22 **is used to calculate the allocation and distribution of allocated tax**
 23 **proceeds under this section to the respective taxing units. However,**
 24 **if the redevelopment commission notifies the county auditor and**
 25 **the department of local government finance, no later than July 15,**
 26 **that it is unable to meet its debt service obligations with regard to**
 27 **the allocation area without all or part of the allocated tax proceeds**
 28 **attributed to the assessed value that has been allocated to the**
 29 **respective taxing units, then the county auditor may not allocate**
 30 **five percent (5%) of the assessed value in the allocation area that**
 31 **is used to calculate the allocation and distribution of allocated tax**
 32 **proceeds under this section to the respective taxing units.**

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

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

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1 enact a law that:

2 (A) terminates the automatic extension of allocation

3 deadlines under subdivision (2); and

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

5 allocation deadline.

6 (j) If a redevelopment commission adopts a declaratory resolution

7 or an amendment to a declaratory resolution that contains an allocation

8 provision and the redevelopment commission makes either of the

9 filings required under section 17(e) 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 unit is located shall compute the base

12 assessed value for the allocation area using the assessment date

13 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 (k) For an allocation area established after June 30, 2025,

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.

22 SECTION ~~48~~[56]. IC 36-7-14-48, AS AMENDED BY

23 P.L.236-2023, SECTION 180, IS AMENDED TO READ AS

24 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 48. (a) Notwithstanding

25 section 39(a) of this chapter, with respect to the allocation and

26 distribution of property taxes for the accomplishment of a program

27 adopted under section 45 of this chapter, "base assessed value" means,

28 subject to section 39(j) of this chapter, the net assessed value of all of

29 the property, other than personal property, as finally determined for the

30 assessment date immediately preceding the effective date of the

31 allocation provision, as adjusted under section 39(h) of this chapter.

32 (b) The allocation fund established under section 39(b) of this

33 chapter for the allocation area for a program adopted under section 45

34 of this chapter may be used only for purposes related to the

35 accomplishment of the program, including the following:

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

37 within the allocation area.

38 (2) The construction, reconstruction, or repair of any

39 infrastructure (including streets, sidewalks, and sewers) within

40 or serving the allocation area.

41 (3) The acquisition of real property and interests in real property

42 within the allocation area.

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- 1 (4) The demolition of real property within the allocation area.
- 2 (5) The provision of financial assistance to enable individuals
- 3 and families to purchase or lease residential units within the
- 4 allocation area. However, financial assistance may be provided
- 5 only to those individuals and families whose income is at or
- 6 below the county's median income for individuals and families,
- 7 respectively.
- 8 (6) The provision of financial assistance to neighborhood
- 9 development corporations to permit them to provide financial
- 10 assistance for the purposes described in subdivision (5).
- 11 (7) For property taxes first due and payable before January 1,
- 12 2009, providing each taxpayer in the allocation area a credit for
- 13 property tax replacement as determined under subsections (c)
- 14 and (d). However, the commission may provide this credit only
- 15 if the municipal legislative body (in the case of a redevelopment
- 16 commission established by a municipality) or the county
- 17 executive (in the case of a redevelopment commission
- 18 established by a county) establishes the credit by ordinance
- 19 adopted in the year before the year in which the credit is
- 20 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 45 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
- 32 its 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)
- 39 (before its repeal) levied in the taxing district allocated to
- 40 the allocation fund, including the amount that would have
- 41 been allocated but for the credit.
- 42 (d) The commission may determine to grant to taxpayers in an

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

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

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

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

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

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

26 (1) Accomplish one (1) or more of the actions set forth in section
 27 39(b)(4)(A) through 39(b)(4)(H) and 39(b)(4)(J) of this chapter
 28 for property that is residential in nature.

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

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

34 (f) Notwithstanding section 39(b) of this chapter, the commission
 35 shall, relative to the allocation fund established under section 39(b) of
 36 this chapter for an allocation area for a program adopted under section
 37 45 of this chapter, do the following before June 15 of each year:

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



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necessary to:

- (A) make the distribution required under section 39(b)(2) and 39(b)(3) of this chapter;
- (B) make, when due, principal and interest payments on bonds described in section 39(b)(4) of this chapter;
- (C) pay the amount necessary for other purposes described in section 39(b)(4) of this chapter; and
- (D) reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

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

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

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

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1 **under this section to the respective taxing units.**
2 (3) If:
3 (A) the amount of excess assessed value determined by the
4 commission is expected to generate more than two hundred
5 percent (200%) of the amount of allocated tax proceeds
6 necessary to make, when due, principal and interest
7 payments on bonds described in subdivision (1); plus
8 (B) the amount necessary for other purposes described in
9 subdivision (1);
10 the commission shall submit to the legislative body of the unit its
11 determination of the excess assessed value that the commission
12 proposes to allocate to the respective taxing units in the manner
13 prescribed in subdivision (2). The legislative body of the unit
14 may approve the commission's determination or modify the
15 amount of the excess assessed value that will be allocated to the
16 respective taxing units in the manner prescribed in subdivision
17 (2).
18 (g) This subsection applies to an allocation area only to the extent
19 that the net assessed value of property that is assessed as residential
20 property under the rules of the department of local government finance
21 is not included in the base assessed value. If property tax installments
22 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in
23 installments established by the department of local government finance
24 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
25 allocation area is entitled to an additional credit under subsection (d)
26 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
27 installments. The credit shall be applied in the same proportion to each
28 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).
29 SECTION ~~49~~ [57]. IC 36-7-14-52, AS AMENDED BY
30 P.L.236-2023, SECTION 181, IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 52. (a) Notwithstanding
32 section 39(a) of this chapter, with respect to the allocation and
33 distribution of property taxes for the accomplishment of the purposes
34 of an age-restricted housing program adopted under section 49 of this
35 chapter, "base assessed value" means, subject to section 39(j) of this
36 chapter, the net assessed value of all of the property, other than
37 personal property, as finally determined for the assessment date
38 immediately preceding the effective date of the allocation provision, as
39 adjusted under section 39(h) of this chapter.
40 (b) The allocation fund established under section 39(b) of this
41 chapter for the allocation area for an age-restricted housing program
42 adopted under section 49 of this chapter may be used only for purposes

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- 1 related to the accomplishment of the purposes of the program,
- 2 including, but not limited to, the following:
- 3 (1) The construction of any infrastructure (including streets,
- 4 sidewalks, and sewers) or local public improvements in, serving,
- 5 or benefiting the allocation area.
- 6 (2) The acquisition of real property and interests in real property
- 7 within the allocation area.
- 8 (3) The preparation of real property in anticipation of
- 9 development of the real property within the allocation area.
- 10 (4) To do any of the following:
- 11 (A) Pay the principal of and interest on bonds or any other
- 12 obligations payable from allocated tax proceeds in the
- 13 allocation area that are incurred by the redevelopment
- 14 district for the purpose of financing or refinancing the
- 15 age-restricted housing program established under section 49
- 16 of this chapter for the allocation area.
- 17 (B) Establish, augment, or restore the debt service reserve
- 18 for bonds payable solely or in part from allocated tax
- 19 proceeds in the allocation area.
- 20 (C) Pay the principal of and interest on bonds payable from
- 21 allocated tax proceeds in the allocation area and from the
- 22 special tax levied under section 27 of this chapter.
- 23 (D) Pay the principal of and interest on bonds issued by the
- 24 unit to pay for local public improvements that are physically
- 25 located in or physically connected to the allocation area.
- 26 (E) Pay premiums on the redemption before maturity of
- 27 bonds payable solely or in part from allocated tax proceeds
- 28 in the allocation area.
- 29 (F) Make payments on leases payable from allocated tax
- 30 proceeds in the allocation area under section 25.2 of this
- 31 chapter.
- 32 (G) Reimburse the unit for expenditures made by the unit
- 33 for local public improvements (which include buildings,
- 34 parking facilities, and other items described in section
- 35 25.1(a) of this chapter) that are physically located in or
- 36 physically connected to the allocation area.
- 37 (c) Notwithstanding section 39(b) of this chapter, the commission
- 38 shall, relative to the allocation fund established under section 39(b) of
- 39 this chapter for an allocation area for an age-restricted housing program
- 40 adopted under section 49 of this chapter, do the following before June
- 41 15 of each year:
- 42 (1) Determine the amount, if any, by which the assessed value of

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1 the taxable property in the allocation area for the most recent
 2 assessment date minus the base assessed value, when multiplied
 3 by the estimated tax rate of the allocation area, will exceed the
 4 amount of assessed value needed to produce the property taxes
 5 necessary to:

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

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

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

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

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

23 (A) state the amount, if any, of excess property taxes that
 24 the commission has determined may be paid to the
 25 respective taxing units in the manner prescribed in section
 26 39(b)(1) of this chapter; or

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

31 The county auditor shall allocate to the respective taxing units the
 32 amount, if any, of excess assessed value determined by the
 33 commission. **If a commission fails to provide the notice under
 34 subdivision (2), the county auditor shall allocate five percent (5%)
 35 of the assessed value in the allocation area that is used to calculate
 36 the allocation and distribution of allocated tax proceeds under this
 37 section to the respective taxing units. However, if the commission
 38 notifies the county auditor and the department of local government
 39 finance, no later than July 15, that it is unable to meet its debt
 40 service obligations with regard to the allocation area without all or
 41 part of the allocated tax proceeds attributed to the assessed value
 42 that has been allocated to the respective taxing units, then the**



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

5 SECTION 5 ~~8~~ [8]. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014,
 6 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2026]: Sec. 1. As used in this chapter, "property taxes" means:

8 (1) property taxes, as described in:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 SECTION 5 ~~9~~ [9]. IC 36-7-15.1-26, AS AMENDED BY
 25 P.L.174-2022, SECTION 72, IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 26. (a) As used in this
 27 section:

28 "Allocation area" means that part of a redevelopment project area
 29 to which an allocation provision of a resolution adopted under section
 30 8 of this chapter refers for purposes of distribution and allocation of
 31 property taxes.

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

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

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

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



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

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

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

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

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

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

42 Except as provided in section 26.2 of this chapter, "property taxes"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 (K) Expend money and provide financial assistance as
 12 authorized in section 7(a)(21) of this chapter.
 13 The special fund may not be used for operating expenses of the
 14 commission.
 15 (4) Before June 15 of each year, the commission shall do the
 16 following:
 17 (A) Determine the amount, if any, by which the assessed
 18 value of the taxable property in the allocation area for the
 19 most recent assessment date minus the base assessed value,
 20 when multiplied by the estimated tax rate of the allocation
 21 area will exceed the amount of assessed value needed to
 22 provide the property taxes necessary to make, when due,
 23 principal and interest payments on bonds described in
 24 subdivision (3) plus the amount necessary for other
 25 purposes described in subdivision (3) and subsection (g).
 26 (B) Provide a written notice to the county auditor, the
 27 legislative body of the consolidated city, the officers who
 28 are 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
 42 units the amount, if any, of excess assessed value

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

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

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

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

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- 1 least one-half (1/2) of the enrollment in any session for residents
 2 of the enterprise zone.
- 3 (2) To make loans and grants for the purpose of stimulating
 4 business activity in the enterprise zone or providing employment
 5 for enterprise zone residents in the enterprise zone. These loans
 6 and grants may be made to the following:
- 7 (A) Businesses operating in the enterprise zone.
 8 (B) Businesses that will move their operations to the
 9 enterprise zone if such a loan or grant is made.
- 10 (3) To provide funds to carry out other purposes specified in
 11 subsection (b)(3). However, where reference is made in
 12 subsection (b)(3) to the allocation area, the reference refers for
 13 purposes of payments from the special zone fund only to that
 14 part of the allocation area that is also located in the enterprise
 15 zone.
- 16 (h) The state board of accounts and department of local
 17 government finance shall make the rules and prescribe the forms and
 18 procedures that they consider expedient for the implementation of this
 19 chapter. After each reassessment under a reassessment plan prepared
 20 under IC 6-1.1-4-4.2, the ~~department of local government finance~~
 21 **county auditor shall, on forms prescribed by the department of**
 22 **local government finance**, adjust the base assessed value one (1) time
 23 to neutralize any effect of the reassessment of the real property in the
 24 area on the property tax proceeds allocated to the redevelopment
 25 district under this section. After each annual adjustment under
 26 IC 6-1.1-4-4.5, the ~~department of local government finance~~ **county**
 27 **auditor shall, on forms prescribed by the department of local**
 28 **government finance**, adjust the base assessed value to neutralize any
 29 effect of the annual adjustment on the property tax proceeds allocated
 30 to the redevelopment district under this section. However, the
 31 adjustments under this subsection may not include the effect of
 32 property tax abatements under IC 6-1.1-12.1, and these adjustments
 33 may not produce less property tax proceeds allocable to the
 34 redevelopment district under subsection (b)(3) than would otherwise
 35 have been received if the reassessment under the reassessment plan or
 36 annual adjustment had not occurred. ~~The department of local~~
 37 ~~government finance may prescribe procedures for county and township~~
 38 ~~officials to follow to assist the department in making the adjustments.~~
 39 **The county auditor shall, in the manner prescribed by the**
 40 **department of local government finance, submit the forms**
 41 **required by this subsection to the department of local government**
 42 **finance no later than July 15 of each year. If the county auditor**

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

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

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

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

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

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

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

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

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

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

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



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

7 SECTION ~~52~~[60]. IC 36-7-15.1-26, AS AMENDED BY
8 P.L.68-2025, SECTION 235, IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this
10 section:

11 "Allocation area" means that part of a redevelopment project area
12 to which an allocation provision of a resolution adopted under section
13 8 of this chapter refers for purposes of distribution and allocation of
14 property taxes.

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

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

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

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

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

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

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

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

25 Except as provided in section 26.2 of this chapter, "property taxes"

26 means taxes imposed under IC 6-1.1 on real property. However, upon

27 approval by a resolution of the redevelopment commission adopted

28 before June 1, 1987, "property taxes" also includes taxes imposed

29 under IC 6-1.1 on depreciable personal property. If a redevelopment

30 commission adopted before June 1, 1987, a resolution to include within

31 the definition of property taxes, taxes imposed under IC 6-1.1 on

32 depreciable personal property that has a useful life in excess of eight

33 (8) years, the commission may by resolution determine the percentage

34 of taxes imposed under IC 6-1.1 on all depreciable personal property

35 that will be included within the definition of property taxes. However,

36 the percentage included must not exceed twenty-five percent (25%) of

37 the taxes imposed under IC 6-1.1 on all depreciable personal property.

38 (b) A resolution adopted under section 8 of this chapter on or

39 before the allocation deadline determined under subsection (i) may

40 include a provision with respect to the allocation and distribution of

41 property taxes for the purposes and in the manner provided in this

42 section. A resolution previously adopted may include an allocation

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

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

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

41 (B) the base assessed value;

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



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

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

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

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

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

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

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

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

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

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

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

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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
 42 government finance shall make the rules and prescribe the forms and

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

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

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



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1 (2) Subject to subdivision (3), the initial allocation deadline and
 2 subsequent allocation deadlines are automatically extended in
 3 increments of five (5) years, so that allocation deadlines
 4 subsequent to the initial allocation deadline fall on December 31,
 5 2016, and December 31 of each fifth year thereafter.
 6 (3) At least one (1) year before the date of an allocation deadline
 7 determined under subdivision (2), the general assembly may
 8 enact a law that:
 9 (A) terminates the automatic extension of allocation
 10 deadlines under subdivision (2); and
 11 (B) specifically designates a particular date as the final
 12 allocation deadline.
 13 (j) If the commission adopts a declaratory resolution or an
 14 amendment to a declaratory resolution that contains an allocation
 15 provision and the commission makes either of the filings required
 16 under section 10(e) of this chapter after the first anniversary of the
 17 effective date of the allocation provision, the auditor of the county in
 18 which the unit is located shall compute the base assessed value for the
 19 allocation area using the assessment date immediately preceding the
 20 later of:
 21 (1) the date on which the documents are filed with the county
 22 auditor; or
 23 (2) the date on which the documents are filed with the
 24 department of local government finance.
 25 (k) For an allocation area established after June 30, 2024,
 26 "residential property" refers to the assessed value of property that is
 27 allocated to the one percent (1%) homestead land and improvement
 28 categories in the county tax and billing software system, along with the
 29 residential assessed value as defined for purposes of calculating the
 30 rate for the local income tax property tax relief credit designated for
 31 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).
 32 SECTION ~~53~~ [61]. IC 36-7-15.1-35, AS AMENDED BY
 33 P.L.257-2019, SECTION 128, IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 35. (a) Notwithstanding
 35 section 26(a) of this chapter, with respect to the allocation and
 36 distribution of property taxes for the accomplishment of a program
 37 adopted under section 32 of this chapter, "base assessed value" means,
 38 subject to section 26(j) of this chapter, the net assessed value of all of
 39 the land as finally determined for the assessment date immediately
 40 preceding the effective date of the allocation provision, as adjusted
 41 under section 26(h) of this chapter. However, "base assessed value"
 42 does not include the value of real property improvements to the land.

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

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

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

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

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

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

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

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

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

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

37 STEP TWO: Divide:

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

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1 (B) the amount determined under STEP ONE.
 2 STEP THREE: Multiply:
 3 (A) the STEP TWO quotient; by
 4 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before
 5 its repeal)) levied in the taxing district allocated to the
 6 allocation fund, including the amount that would have been
 7 allocated but for the credit.
 8 (d) Except as provided in subsection (g), the commission may
 9 determine to grant to taxpayers in an allocation area from its allocation
 10 fund a credit under this section, as calculated under subsection (c), by
 11 applying one-half (1/2) of the credit to each installment of taxes (as
 12 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9
 13 are due and payable in a year. Except as provided in subsection (g),
 14 one-half (1/2) of the credit shall be applied to each installment of taxes
 15 (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must
 16 provide for the credit annually by a resolution and must find in the
 17 resolution the following:
 18 (1) That the money to be collected and deposited in the
 19 allocation fund, based upon historical collection rates, after
 20 granting the credit will equal the amounts payable for
 21 contractual obligations from the fund, plus ten percent (10%) of
 22 those amounts.
 23 (2) If bonds payable from the fund are outstanding, that there is
 24 a debt service reserve for the bonds that at least equals the
 25 amount of the credit to be granted.
 26 (3) If bonds of a lessor under section 17.1 of this chapter or
 27 under IC 36-1-10 are outstanding and if lease rentals are payable
 28 from the fund, that there is a debt service reserve for those bonds
 29 that at least equals the amount of the credit to be granted.
 30 If the tax increment is insufficient to grant the credit in full, the
 31 commission may grant the credit in part, prorated among all taxpayers.
 32 (e) Notwithstanding section 26(b) of this chapter, the special fund
 33 established under section 26(b) of this chapter for the allocation area
 34 for a program adopted under section 32 of this chapter may only be
 35 used to do one (1) or more of the following:
 36 (1) Accomplish one (1) or more of the actions set forth in section
 37 26(b)(3)(A) through 26(b)(3)(H) of this chapter.
 38 (2) Reimburse the consolidated city for expenditures made by
 39 the city in order to accomplish the housing program in that
 40 allocation area.
 41 The special fund may not be used for operating expenses of the
 42 commission.

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

5 (1) Determine the amount, if any, by which the assessed value of
6 the taxable property in the allocation area, when multiplied by
7 the estimated tax rate of the allocation area, will exceed the
8 amount of assessed value needed to produce the property taxes
9 necessary to:

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

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

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

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

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

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

28 (B) state that the commission has determined that there is
29 no excess assessed value that may be allocated to the
30 respective taxing units in the manner prescribed in section
31 26(b)(1) of this chapter.

32 The county auditor shall allocate to the respective taxing units
33 the amount, if any, of excess assessed value determined by the
34 commission. **If a commission fails to provide the notice under
35 this subdivision, the county auditor shall allocate five percent
36 (5%) of the assessed value in the allocation area that is used
37 to calculate the allocation and distribution of allocated tax
38 proceeds under this section to the respective taxing units.
39 However, if the commission notifies the county auditor and
40 the department of local government finance, no later than
41 July 15, that it is unable to meet its debt service obligations
42 with regard to the allocation area without all or part of the**

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

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

SECTION ~~54~~ [62]. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 53. (a) As used in this section:

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

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

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

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

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

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

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

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

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

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

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

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

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

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

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

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

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the

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1 allocation fund that is attributable to property taxes paid by
2 the industrial facilities described in this clause. The
3 reimbursements under this clause must be made within
4 three (3) years after the date on which the investments that
5 are the basis for the increment financing are made.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

25 (A) Businesses operating in the enterprise zone.

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

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

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



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

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

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

36 (2) Subject to subdivision (3), the initial allocation deadline and
 37 subsequent allocation deadlines are automatically extended in
 38 increments of five (5) years, so that allocation deadlines
 39 subsequent to the initial allocation deadline fall on December 31,
 40 2016, and December 31 of each fifth year thereafter.

41 (3) At least one (1) year before the date of an allocation deadline
 42 determined under subdivision (2), the general assembly may



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1 enact a law that:

2 (A) terminates the automatic extension of allocation

3 deadlines under subdivision (2); and

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

5 allocation deadline.

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

7 amendment to a declaratory resolution that contains an allocation

8 provision and the commission makes either of the filings required

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

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

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

12 allocation area using the assessment date immediately preceding the

13 later of:

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

15 auditor; or

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

17 department of local government finance.

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

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

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

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

22 residential assessed value as defined for purposes of calculating the

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

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

25 SECTION ~~55~~[63]. IC 36-7-15.1-53, AS AMENDED BY

26 P.L.68-2025, SECTION 236, IS AMENDED TO READ AS

27 FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 53. (a) As used in this

28 section:

29 "Allocation area" means that part of a redevelopment project area

30 to which an allocation provision of a resolution adopted under section

31 40 of this chapter refers for purposes of distribution and allocation of

32 property taxes.

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

34 (1) the net assessed value of all the property as finally

35 determined for the assessment date immediately preceding the

36 effective date of the allocation provision of the declaratory

37 resolution, as adjusted under subsection (h); plus

38 (2) to the extent that it is not included in subdivision (1), the net

39 assessed value of property that is assessed as residential property

40 under the rules of the department of local government finance,

41 as finally determined for the current assessment date.

42 Except as provided in section 55 of this chapter, "property taxes"

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1 means taxes imposed under IC 6-1.1 on real property.

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

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

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

36 (B) the base assessed value;

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

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



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

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

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

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

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

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

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

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

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

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

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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
 42 units the amount, if any, of excess assessed value

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

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 any taxing unit after the effective
 24 date of the allocation provision of the 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 redevelopment district
 29 under subsection (b)(3) may, subject to subsection (b)(4), be
 30 irrevocably pledged by the redevelopment district for payment as set
 31 forth in subsection (b)(3).

32 (e) Notwithstanding any other law, each assessor shall, upon
 33 petition of the commission, reassess the taxable property situated upon
 34 or in, or added to, the allocation area, effective on the next assessment
 35 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 formulation 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
 42 to this section; or



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1 (2) the base assessed value.

2 (g) If any part of the allocation area is located in an enterprise zone

3 created under IC 5-28-15, the unit that designated the allocation area

4 shall create funds as specified in this subsection. A unit that has

5 obligations, bonds, or leases payable from allocated tax proceeds under

6 subsection (b)(3) shall establish an allocation fund for the purposes

7 specified in subsection (b)(3) and a special zone fund. Such a unit

8 shall, until the end of the enterprise zone phase out period, deposit each

9 year in the special zone fund the amount in the allocation fund derived

10 from property tax proceeds in excess of those described in subsection

11 (b)(1) and (b)(2) from property located in the enterprise zone that

12 exceeds the amount sufficient for the purposes specified in subsection

13 (b)(3) for the year. A unit that has no obligations, bonds, or leases

14 payable from allocated tax proceeds under subsection (b)(3) shall

15 establish a special zone fund and deposit all the property tax proceeds

16 in excess of those described in subsection (b)(1) and (b)(2) in the fund

17 derived from property tax proceeds in excess of those described in

18 subsection (b)(1) and (b)(2) from property located in the enterprise

19 zone. The unit that creates the special zone fund shall use the fund,

20 based on the recommendations of the urban enterprise association, for

21 one (1) or more of the following purposes:

22 (1) To pay for programs in job training, job enrichment, and

23 basic skill development designed to benefit residents and

24 employers in the enterprise zone. The programs must reserve at

25 least one-half (1/2) of the enrollment in any session for residents

26 of the enterprise zone.

27 (2) To make loans and grants for the purpose of stimulating

28 business activity in the enterprise zone or providing employment

29 for enterprise zone residents in an enterprise zone. These loans

30 and grants may be made to the following:

31 (A) Businesses operating in the enterprise zone.

32 (B) Businesses that will move their operations to the

33 enterprise zone if such a loan or grant is made.

34 (3) To provide funds to carry out other purposes specified in

35 subsection (b)(3). However, where reference is made in

36 subsection (b)(3) to the allocation area, the reference refers, for

37 purposes of payments from the special zone fund, only to that

38 part of the allocation area that is also located in the enterprise

39 zone.

40 (h) The state board of accounts and department of local

41 government finance shall make the rules and prescribe the forms and

42 procedures that they consider expedient for the implementation of this

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

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

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

42 (2) Subject to subdivision (3), the initial allocation deadline and

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1 subsequent allocation deadlines are automatically extended in
 2 increments of five (5) years, so that allocation deadlines
 3 subsequent to the initial allocation deadline fall on December 31,
 4 2016, and December 31 of each fifth year thereafter.

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

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

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

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

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

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

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

31 SECTION ~~56~~[64]. IC 36-7-15.1-62, AS AMENDED BY
 32 P.L.257-2019, SECTION 131, IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 62. (a) Notwithstanding
 34 section 26(a) of this chapter, with respect to the allocation and
 35 distribution of property taxes for the accomplishment of the purposes
 36 of an age-restricted housing program adopted under section 59 of this
 37 chapter, "base assessed value" means, subject to section 26(j) of this
 38 chapter, the net assessed value of all of the property, other than
 39 personal property, as finally determined for the assessment date
 40 immediately preceding the effective date of the allocation provision, as
 41 adjusted under section 26(h) of this chapter.

42 (b) The allocation fund established under section 26(b) of this



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1 chapter for the allocation area for an age-restricted housing program
2 adopted under section 59 of this chapter may be used only for purposes
3 related to the accomplishment of the purposes of the program,
4 including, but not limited to, the following:

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

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

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

12 (4) To do any of the following:

13 (A) Pay the principal of and interest on bonds or any other
14 obligations payable from allocated tax proceeds in the
15 allocation area that are incurred by the redevelopment
16 district for the purpose of financing or refinancing the
17 age-restricted housing program established under section 59
18 of this chapter for the allocation area.

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

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

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

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

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

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

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1 15 of each year:
 2 (1) Determine the amount, if any, by which the assessed value of
 3 the taxable property in the allocation area for the most recent
 4 assessment date minus the base assessed value, when multiplied
 5 by the estimated tax rate of the allocation area, will exceed the
 6 amount of assessed value needed to produce the property taxes
 7 necessary to:
 8 (A) make the distribution required under section 26(b)(2) of
 9 this chapter;
 10 (B) make, when due, principal and interest payments on
 11 bonds described in section 26(b)(3) of this chapter;
 12 (C) pay the amount necessary for other purposes described
 13 in section 26(b)(3) of this chapter; and
 14 (D) reimburse the county or municipality for anticipated
 15 expenditures described in subsection (b)(2).
 16 (2) Provide a written notice to the county auditor, the fiscal body
 17 of the county or municipality that established the department of
 18 redevelopment, the officers who are authorized to fix budgets,
 19 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other
 20 taxing units that is wholly or partly located within the allocation
 21 area, and (in an electronic format) the department of local
 22 government finance. The notice must:
 23 (A) state the amount, if any, of excess property taxes that
 24 the commission has determined may be paid to the
 25 respective taxing units in the manner prescribed in section
 26 26(b)(1) of this chapter; or
 27 (B) state that the commission has determined that there is
 28 no excess assessed value that may be allocated to the
 29 respective taxing units in the manner prescribed in
 30 subdivision (1).
 31 The county auditor shall allocate to the respective taxing units the
 32 amount, if any, of excess assessed value determined by the
 33 commission. **If a commission fails to provide the notice under
 34 subdivision (2), the county auditor shall allocate five percent (5%)
 35 of the assessed value in the allocation area that is used to calculate
 36 the allocation and distribution of allocated tax proceeds under this
 37 section to the respective taxing units. However, if the commission
 38 notifies the county auditor and the department of local government
 39 finance, no later than July 15, that it is unable to meet its debt
 40 service obligations with regard to the allocation area without all or
 41 part of the allocated tax proceeds attributed to the assessed value
 42 that has been allocated to the respective taxing units, then the**

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

5 SECTION ~~57~~ [65]. IC 36-7-30-25, AS AMENDED BY
 6 P.L.174-2022, SECTION 74, IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 25. (a) The following
 8 definitions apply throughout this section:

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

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

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

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

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

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

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

35 (b) A declaratory resolution adopted under section 10 of this
 36 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 37 declaratory resolutions adopted under IC 36-7-14-15 may include a
 38 provision with respect to the allocation and distribution of property
 39 taxes for the purposes and in the manner provided in this section. A
 40 declaratory resolution previously adopted may include an allocation
 41 provision by the amendment of that declaratory resolution in
 42 accordance with the procedures set forth in section 13 of this chapter.



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1 The allocation provision may apply to all or part of the military base
2 reuse area. The allocation provision must require that any property
3 taxes subsequently levied by or for the benefit of any public body
4 entitled to a distribution of property taxes on taxable property in the
5 allocation area be allocated and distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 The notice must:

- 42 (i) state the amount, if any, of excess property taxes

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1 that the reuse authority has determined may be paid to
 2 the respective taxing units in the manner prescribed in
 3 subdivision (1); or
 4 (ii) state that the reuse authority has determined that
 5 there are no excess property tax proceeds that may be
 6 allocated to the respective taxing units in the manner
 7 prescribed in subdivision (1).

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

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

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

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

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

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

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

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

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

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

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

23 (i) If the reuse authority adopts a declaratory resolution or an
 24 amendment to a declaratory resolution that contains an allocation
 25 provision and the reuse authority makes either of the filings required
 26 under section 12(c) or 13(f) of this chapter after the first anniversary of
 27 the effective date of the allocation provision, the auditor of the county
 28 in which the military base reuse district is located shall compute the
 29 base assessed value for the allocation area using the assessment date
 30 immediately preceding the later of:

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

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

42 SECTION ~~58~~[66]. IC 36-7-30-25, AS AMENDED BY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The notice must:

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

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1 allocated to the respective taxing units in the manner
 2 prescribed in subdivision (1).
 3 The county auditor shall allocate to the respective taxing
 4 units the amount, if any, of excess property tax proceeds
 5 determined by the reuse authority. The reuse authority may
 6 not authorize a payment to the respective taxing units under
 7 this subdivision if to do so would endanger the interest of
 8 the holders of bonds described in subdivision (3) or lessors
 9 under section 19 of this chapter.

10 (c) For the purpose of allocating taxes levied by or for any taxing
 11 unit or units, the assessed value of taxable property in a territory in the
 12 allocation area that is annexed by a taxing unit after the effective date
 13 of the allocation provision of the declaratory resolution is the lesser of:
 14 (1) the assessed value of the property for the assessment date
 15 with respect to which the allocation and distribution is made; or
 16 (2) the base assessed value.

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

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

25 (f) Notwithstanding any other law, the assessed value of all taxable
 26 property in the allocation area, for purposes of tax limitation, property
 27 tax replacement, and the making of the budget, tax rate, and tax levy
 28 for each political subdivision in which the property is located is the
 29 lesser of:
 30 (1) the assessed value of the property as valued without regard
 31 to this section; or
 32 (2) the base assessed value.

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

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1 exceeds the amount sufficient for the purposes specified in subsection
 2 (b)(3) for the year. The amount sufficient for purposes specified in
 3 subsection (b)(3) for the year shall be determined based on the pro rata
 4 part of such current property tax proceeds from the part of the
 5 enterprise zone that is within the allocation area as compared to all
 6 such current property tax proceeds derived from the allocation area. A
 7 unit that does not have obligations, bonds, or leases payable from
 8 allocated tax proceeds under subsection (b)(3) shall establish a special
 9 zone fund and deposit all the property tax proceeds in excess of those
 10 described in subsection (b)(1) and (b)(2) that are derived from property
 11 in the enterprise zone in the fund. The unit that creates the special zone
 12 fund 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 other purposes specified in
 16 subsection (b)(3), except that where reference is made in subsection
 17 (b)(3) to allocation area it shall refer for purposes of payments from the
 18 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 the
 23 county's reassessment plan 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 reuse district under this section. After each annual
 29 adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~
 30 ~~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 reuse district under this
 34 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 reuse district under subsection (b)(3) than would
 38 otherwise have been received if the reassessment under the county's
 39 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
 42 making the adjustments. **The county auditor shall, in the manner**

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

18 (i) If the reuse authority adopts a declaratory resolution or an
 19 amendment to a declaratory resolution that contains an allocation
 20 provision and the reuse authority makes either of the filings required
 21 under section 12(c) or 13(f) of this chapter after the first anniversary of
 22 the effective date of the allocation provision, the auditor of the county
 23 in which the military base reuse district is located shall compute the
 24 base assessed value for the allocation area using the assessment date
 25 immediately preceding the later of:

- 26 (1) the date on which the documents are filed with the county
 27 auditor; or
- 28 (2) the date on which the documents are filed with the
 29 department of local government finance.

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

37 SECTION ~~59~~[67]. IC 36-7-30.5-30, AS AMENDED BY
 38 P.L.174-2022, SECTION 75, IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 30. (a) The following
 40 definitions apply throughout this section:

- 41 (1) "Allocation area" means that part of a military base
 42 development area to which an allocation provision of a

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1 declaratory resolution adopted under section 16 of this chapter
 2 refers for purposes of distribution and allocation of property
 3 taxes.
 4 (2) "Base assessed value" means, subject to subsection (i):
 5 (A) the net assessed value of all the property as finally
 6 determined for the assessment date immediately preceding
 7 the adoption 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) or (C),
 11 the net assessed value of any and all parcels or classes of
 12 parcels identified as part of the base assessed value in the
 13 declaratory resolution or an amendment to the declaratory
 14 resolution, as finally determined for any subsequent
 15 assessment date; plus
 16 (C) to the extent that it is not included in clause (A) or (B),
 17 the net assessed value of property that is assessed as
 18 residential property under the rules of the department of
 19 local government finance, within the allocation area, as
 20 finally determined for the current assessment date.
 21 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 22 property.
 23 (b) A declaratory resolution adopted under section 16 of this
 24 chapter before the date set forth in IC 36-7-14-39(b) pertaining to
 25 declaratory resolutions adopted under IC 36-7-14-15 may include a
 26 provision with respect to the allocation and distribution of property
 27 taxes for the purposes and in the manner provided in this section. A
 28 declaratory resolution previously adopted may include an allocation
 29 provision by the amendment of that declaratory resolution in
 30 accordance with the procedures set forth in section 18 of this chapter.
 31 The allocation provision may apply to all or part of the military base
 32 development area. The allocation provision must require that any
 33 property taxes subsequently levied by or for the benefit of any public
 34 body entitled to a distribution of property taxes on taxable property in
 35 the allocation area be allocated and distributed as follows:
 36 (1) Except as otherwise provided in this section, the proceeds of
 37 the taxes attributable to the lesser of:
 38 (A) the assessed value of the property for the assessment
 39 date with respect to which the allocation and distribution is
 40 made; or
 41 (B) the base assessed value;
 42 shall be allocated to and, when collected, paid into the funds of

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1 the respective taxing units.
 2 (2) The excess of the proceeds of the property taxes imposed for
 3 the assessment date with respect to which the allocation and
 4 distribution is made that are attributable to taxes imposed after
 5 being approved by the voters in a referendum or local public
 6 question conducted after April 30, 2010, not otherwise included
 7 in subdivision (1) shall be allocated to and, when collected, paid
 8 into the funds of the taxing unit for which the referendum or
 9 local public question was conducted.
 10 (3) Except as otherwise provided in this section, property tax
 11 proceeds in excess of those described in subdivisions (1) and (2)
 12 shall be allocated to the development authority and, when
 13 collected, paid into an allocation fund for that allocation area
 14 that may be used by the development authority and only to do
 15 one (1) or more of the following:
 16 (A) Pay the principal of and interest and redemption
 17 premium on any obligations incurred by the development
 18 authority or any other entity for the purpose of financing or
 19 refinancing military base development or reuse activities in
 20 or directly serving or benefiting that allocation area.
 21 (B) Establish, augment, or restore the debt service reserve
 22 for bonds payable solely or in part from allocated tax
 23 proceeds in that allocation area or from other revenues of
 24 the development authority, including lease rental revenues.
 25 (C) Make payments on leases payable solely or in part from
 26 allocated tax proceeds in that allocation area.
 27 (D) Reimburse any other governmental body for
 28 expenditures made for local public improvements (or
 29 structures) in or directly serving or benefiting that allocation
 30 area.
 31 (E) For property taxes first due and payable before 2009,
 32 pay all or a part of a property tax replacement credit to
 33 taxpayers in an allocation area as determined by the
 34 development authority. This credit equals the amount
 35 determined under the following STEPS for each taxpayer in
 36 a taxing district (as defined in IC 6-1.1-1-20) that contains
 37 all or part of the allocation area:
 38 STEP ONE: Determine that part of the sum of the amounts
 39 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 40 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 41 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable
 42 to the taxing district.

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

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

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

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

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

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

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

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

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

(4) Except as provided in subsection (g), before July 15 of each

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year the development authority shall do the following:

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

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

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

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

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

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

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

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1 for payment as set forth in subsection (b)(3).
 2 (e) Notwithstanding any other law, each assessor shall, upon
 3 petition of the development authority, reassess the taxable property
 4 situated upon or in or added to the allocation area, effective on the next
 5 assessment date after the petition.
 6 (f) Notwithstanding any other law, the assessed value of all taxable
 7 property in the allocation area, for purposes of tax limitation, property
 8 tax replacement, and the making of the budget, tax rate, and tax levy
 9 for each political subdivision in which the property is located is the
 10 lesser of:
 11 (1) the assessed value of the property as valued without regard
 12 to this section; or
 13 (2) the base assessed value.
 14 (g) If any part of the allocation area is located in an enterprise zone
 15 created under IC 5-28-15, the development authority shall create funds
 16 as specified in this subsection. A development authority that has
 17 obligations, bonds, or leases payable from allocated tax proceeds under
 18 subsection (b)(3) shall establish an allocation fund for the purposes
 19 specified in subsection (b)(3) and a special zone fund. The
 20 development authority shall, until the end of the enterprise zone phase
 21 out period, deposit each year in the special zone fund any amount in the
 22 allocation fund derived from property tax proceeds in excess of those
 23 described in subsection (b)(1) and (b)(2) from property located in the
 24 enterprise zone that exceeds the amount sufficient for the purposes
 25 specified in subsection (b)(3) for the year. The amount sufficient for
 26 purposes specified in subsection (b)(3) for the year shall be determined
 27 based on the pro rata part of such current property tax proceeds from
 28 the part of the enterprise zone that is within the allocation area as
 29 compared to all such current property tax proceeds derived from the
 30 allocation area. A development authority that does not have
 31 obligations, bonds, or leases payable from allocated tax proceeds under
 32 subsection (b)(3) shall establish a special zone fund and deposit all the
 33 property tax proceeds in excess of those described in subsection (b)(1)
 34 and (b)(2) that are derived from property in the enterprise zone in the
 35 fund. The development authority that creates the special zone fund
 36 shall use the fund (based on the recommendations of the urban
 37 enterprise association) for programs in job training, job enrichment,
 38 and basic skill development that are designed to benefit residents and
 39 employers in the enterprise zone or for other purposes specified in
 40 subsection (b)(3), except that where reference is made in subsection
 41 (b)(3) to an allocation area it shall refer for purposes of payments from
 42 the special zone fund only to that part of the allocation area that is also

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1 located in the enterprise zone. The programs shall reserve at least
2 one-half (1/2) of their enrollment in any session for residents of the
3 enterprise zone.

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

42 (i) If the development authority adopts a declaratory resolution or

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1 an amendment to a declaratory resolution that contains an allocation
2 provision and the development authority makes either of the filings
3 required under section 17(e) or 18(f) of this chapter after the first
4 anniversary of the effective date of the allocation provision, the auditor
5 of the county in which the military base development district is located
6 shall compute the base assessed value for the allocation area using the
7 assessment date immediately preceding the later of:

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

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

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

19 SECTION 6-3.6-5-6(d)(3), AS AMENDED BY
20 P.L.68-2025, SECTION 238, IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 30. (a) The following
22 definitions apply throughout this section:

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

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

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

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

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

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

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refinancing military base development or reuse activities in or directly serving or benefiting that allocation area.

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

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

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

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

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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

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

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

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

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

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

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1 that there is no excess assessed value that may be
2 allocated to the respective taxing units in the manner
3 prescribed in subdivision (1).
4 The county auditors shall allocate to the respective taxing
5 units the amount, if any, of excess assessed value
6 determined by the development authority. The development
7 authority may not authorize a payment to the respective
8 taxing units under this subdivision if to do so would
9 endanger the interest of the holders of bonds described in
10 subdivision (3) or lessors under section 24 of this chapter.
11 Property taxes received by a taxing unit under this
12 subdivision before 2009 are eligible for the property tax
13 replacement credit provided under IC 6-1.1-21 (before its
14 repeal).
15 (c) For the purpose of allocating taxes levied by or for any taxing
16 unit or units, the assessed value of taxable property in a territory in the
17 allocation area that is annexed by a taxing unit after the effective date
18 of the allocation provision of the declaratory resolution is the lesser of:
19 (1) the assessed value of the property for the assessment date
20 with respect to which the allocation and distribution is made; or
21 (2) the base assessed value.
22 (d) Property tax proceeds allocable to the military base
23 development district under subsection (b)(3) may, subject to subsection
24 (b)(4), be irrevocably pledged by the military base development district
25 for payment as set forth in subsection (b)(3).
26 (e) Notwithstanding any other law, each assessor shall, upon
27 petition of the development authority, reassess the taxable property
28 situated upon or in or added to the allocation area, effective on the next
29 assessment date after the petition.
30 (f) Notwithstanding any other law, the assessed value of all taxable
31 property in the allocation area, for purposes of tax limitation, property
32 tax replacement, and the making of the budget, tax rate, and tax levy
33 for each political subdivision in which the property is located is the
34 lesser of:
35 (1) the assessed value of the property as valued without regard
36 to this section; or
37 (2) the base assessed value.
38 (g) If any part of the allocation area is located in an enterprise zone
39 created under IC 5-28-15, the development authority shall create funds
40 as specified in this subsection. A development authority that has
41 obligations, bonds, or leases payable from allocated tax proceeds under
42 subsection (b)(3) shall establish an allocation fund for the purposes

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

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

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

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

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

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

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



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1 SECTION ~~6-4~~[9]. IC 36-7-32-19, AS AMENDED BY
2 P.L.86-2018, SECTION 349, IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) The state board
4 of accounts and department of local government finance shall make the
5 rules and prescribe the forms and procedures that the state board of
6 accounts and department of local government finance consider
7 appropriate for the implementation of an allocation area under this
8 chapter.

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

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

40 SECTION ~~6-2~~[70]. IC 36-7-32.5-16, AS ADDED BY
41 P.L.135-2022, SECTION 28, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 16. (a) The state board

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1 of accounts, the department of state revenue, and the department of
2 local government finance may adopt rules under IC 4-22-2 and
3 prescribe the forms and procedures that the state board of accounts, the
4 department of state revenue, and the department of local government
5 finance consider appropriate for the implementation of an innovation
6 development district under this chapter. However, before adopting
7 rules under this section, the state board of accounts, the department of
8 state revenue, and the department of local government finance shall
9 submit a report to the budget committee that:

10 (1) describes the rules proposed by the state board of accounts,
11 the department of state revenue, and the department of local
12 government finance; and

13 (2) recommends statutory changes necessary to implement the
14 provisions of this chapter.

15 (b) After each reassessment of real property in an area under a
16 county's reassessment plan prepared under IC 6-1.1-4-4.2, the
17 ~~department of local government finance~~ **county auditor** shall, **on**
18 **forms prescribed by the department of local government finance**,
19 adjust the base assessed value one (1) time to neutralize any effect of
20 the reassessment of the real property in the area on the property tax
21 proceeds allocated to the local innovation development district fund
22 established by section 19 of this chapter.

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

30 (d) **The county auditor shall, in the manner prescribed by the**
31 **department of local government finance, submit the forms**
32 **required by this section to the department of local government**
33 **finance no later than July 15 of each year. If the county auditor**
34 **fails to submit the forms by the deadline under this subsection, the**
35 **county auditor shall allocate five percent (5%) of the assessed**
36 **value in the allocation area that is used to calculate the allocation**
37 **and distribution of allocated tax proceeds under this section to the**
38 **respective taxing units. However, if the district notifies the county**
39 **auditor and the department of local government finance, no later**
40 **than July 15, that it is unable to meet its debt service obligations**
41 **with regard to the allocation area without all or part of the**
42 **allocated tax proceeds attributed to the assessed value that has**

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

6 SECTION ~~63~~ [71]. IC 36-7.5-4.5-18, AS AMENDED BY
7 P.L.236-2023, SECTION 194, IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 18. If a district is
9 established, the following apply to the administration and use of
10 incremental property tax revenue by the development authority, or a
11 redevelopment commission in the case of a district located in a cash
12 participant county, in the district:

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

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

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

30 SECTION ~~64~~[72]. IC 36-8-19-8.5, AS AMENDED BY
 31 P.L.255-2017, SECTION 47, IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) Participating
 33 units may agree to establish an equipment replacement fund under this
 34 section to be used to purchase fire protection equipment, including
 35 housing, that will be used to serve the entire territory. To establish the
 36 fund, the legislative bodies of each participating unit must adopt an
 37 ordinance (in the case of a county or municipality) or a resolution (in
 38 the case of a township or fire protection district), and the following
 39 requirements must be met:

- 40 (1) The ordinance or resolution is identical to the ordinances and
- 41 resolutions adopted by the other participating units under this
- 42 section.

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- 1 (2) Before adopting the ordinance or resolution, each
- 2 participating unit must comply with the notice and hearing
- 3 requirements of IC 6-1.1-41-3.
- 4 (3) The ordinance or resolution authorizes the provider unit to
- 5 establish the fund.
- 6 (4) The ordinance or resolution includes at least the following:
- 7 (A) The name of each participating unit and the provider
- 8 unit.
- 9 (B) An agreement to impose a uniform tax rate upon all of
- 10 the taxable property within the territory for the equipment
- 11 replacement fund.
- 12 (C) The contents of the agreement to establish the fund.

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

- 15 (b) If a fund is established, the participating units may agree to:
- 16 (1) impose a property tax to provide for the accumulation of
- 17 money in the fund to purchase fire protection equipment;
- 18 (2) incur debt to purchase fire protection equipment and impose
- 19 a property tax to retire the loan; or
- 20 (3) transfer an amount from the fire protection territory fund to
- 21 the fire equipment replacement fund not to exceed five percent
- 22 (5%) of the levy for the fire protection territory fund for that
- 23 year;

24 or any combination of these options.

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

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1 (d) A participating unit of a territory may, to the extent allowed by
2 law, incur debt in the participating unit's own name to acquire fire
3 protection equipment or other property that is to be owned by the
4 participating unit. A participating unit that acquires fire protection
5 equipment or other property under this subsection may afterward enter
6 into an interlocal agreement under IC 36-1-7 with the provider unit to
7 furnish the fire protection equipment or other property to the provider
8 unit for the provider unit's use or benefit in accomplishing the purposes
9 of the territory. A participating unit shall comply with all general
10 statutes and rules relating to the incurrence of debt under this
11 subsection.

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

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

- 19 (1) the establishment or reestablishment of a fund under this
- 20 section;
- 21 (2) the imposing of a property tax for a fund under this section;
- 22 and
- 23 (3) the increasing of a property tax rate for a fund under this
- 24 section.

25 (g) Notwithstanding IC 6-1.1-18-12, if a fund established under
26 this section is reestablished in the manner provided in IC 6-1.1-41, the
27 property tax rate imposed for the fund in the first year after the fund is
28 reestablished may not exceed three and thirty-three hundredths cents
29 (\$0.0333) per one hundred dollars (\$100) of assessed value.

30 SECTION ~~65~~[73]. [EFFECTIVE JANUARY 1, 2024
31 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
32 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
33 **provision.**

34 (b) **This SECTION applies to assessment dates after December**
35 **31, 2023, and before January 1, 2026.**

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

- 38 (1) **that is owned, occupied, and used by a taxpayer that:**
- 39 (A) **is exempt from federal income taxation under**
- 40 **Section 501(c)(3) of the Internal Revenue Code; and**
- 41 (B) **has a mission focused on preserving Indiana**
- 42 **landmarks;**

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- 1 **(2) that is used for one (1) or more of the purposes described**
- 2 **in IC 6-1.1-10-16;**
- 3 **(3) that is a parcel that:**
 - 4 **(A) was transferred to the taxpayer before January 1,**
 - 5 **2024; and**
 - 6 **(B) is located in Vanderburgh County;**
- 7 **(4) on which property taxes were imposed for the 2024 and**
- 8 **2025 assessment dates; and**
- 9 **(5) that would have been eligible for an exemption under**
- 10 **IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an**
- 11 **exemption application had been properly and timely filed**
- 12 **under IC 6-1.1 for the property.**
- 13 **(d) Before September 1, 2026, the owner of eligible property**
- 14 **may file a property tax exemption application and supporting**
- 15 **documents claiming a property tax exemption under this**
- 16 **SECTION for the eligible property for the 2024 and 2025**
- 17 **assessment dates.**
- 18 **(e) A property tax exemption application filed as provided in**
- 19 **subsection (d) is considered to have been properly and timely filed**
- 20 **for each assessment date.**
- 21 **(f) The following apply if the owner of eligible property files a**
- 22 **property tax exemption application as provided in subsection (d):**
 - 23 **(1) The property tax exemption for the eligible property shall**
 - 24 **be allowed and granted for the applicable assessment date by**
 - 25 **the county assessor and county auditor of the county in**
 - 26 **which the eligible property is located.**
 - 27 **(2) The owner of the eligible property is not required to pay**
 - 28 **any property taxes, penalties, or interest with respect to the**
 - 29 **eligible property for the applicable assessment date.**
- 30 **(g) The exemption allowed by this SECTION shall be applied**
- 31 **without the need for any further ruling or action by the county**
- 32 **assessor, the county auditor, or the county property tax assessment**
- 33 **board of appeals of the county in which the eligible property is**
- 34 **located or by the Indiana board of tax review.**
- 35 **(h) To the extent the owner of the eligible property has paid**
- 36 **any property taxes, penalties, or interest with respect to the eligible**
- 37 **property for an applicable date and to the extent that the eligible**
- 38 **property is exempt from taxation as provided in this SECTION,**
- 39 **the owner of the eligible property is entitled to a refund of the**
- 40 **amounts paid. The owner is not entitled to any interest on the**
- 41 **refund under IC 6-1.1 or any other law to the extent interest has**
- 42 **not been paid by or on behalf of the owner. Notwithstanding the**

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1 filing deadlines for a claim under IC 6-1.1-26, any claim for a
 2 refund filed by the owner of eligible property under this SECTION
 3 before September 1, 2026, is considered timely filed. The county
 4 auditor shall pay the refund due under this SECTION in one (1)
 5 installment.

6 (i) This SECTION expires June 30, 2027.

7 SECTION ~~66~~[74]. [EFFECTIVE JANUARY 1, 2026
 8 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to
 9 assessment dates occurring after December 31, 2025, for property
 10 taxes first due and payable in 2027.

11 (b) This SECTION expires July 1, 2030.

12 SECTION ~~67~~[75]. [EFFECTIVE JANUARY 1, 2026
 13 (RETROACTIVE)] (a) The amendments made by this act to:

- 14 (1) IC 6-1.1-12.6-2;
- 15 (2) IC 6-1.1-12.6-4;
- 16 (3) IC 6-1.1-12.6-8;
- 17 (4) IC 6-1.1-12.8-3;
- 18 (5) IC 6-1.1-12.8-4;
- 19 (6) IC 6-1.1-12.8-9; and
- 20 (7) IC 6-1.1-12.8-10;

21 apply to assessment dates occurring after December 31, 2025.

22 (b) This SECTION expires January 1, 2028.

23 SECTION ~~68~~[76]. [EFFECTIVE UPON PASSAGE] (a)
 24 IC 6-3.6-6-3 was amended by P.L.137-2024, SECTION 9, effective
 25 July 1, 2024, until July 1, 2027, and by P.L.68-2025, SECTION 124,
 26 effective July 1, 2027. The general assembly recognizes that this act
 27 amends, effective July 1, 2026, the version of IC 6-3.6-6-3 amended
 28 by P.L.137-2024, SECTION 9. The general assembly intends for
 29 the version of IC 6-3.6-6-3:

- 30 (1) as amended by this act, to expire July 1, 2027; and
- 31 (2) as amended by P.L.68-2025, SECTION 124, to take effect
 32 July 1, 2027.

33 (b) This SECTION expires December 31, 2027.

34 SECTION ~~69~~[77]. An emergency is declared for this act. [

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