
HOUSE BILL No. 1210

AM121084 has been incorporated into January 30, 2026 printing.

Synopsis: Department of local government finance.

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Reprinted
January 30, 2026

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

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

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

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

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HOUSE BILL No. 1210

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

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

- 1 SECTION 1. IC 4-23-7.3-5.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. As used in this chapter,**
4 **"governmental boundary units" includes:**
5 **(1) the geographic boundaries of a political subdivision;**
6 **(2) the geographic boundaries of a taxing district (as defined**
7 **by IC 6-1.1-1-20); and**
8 **(3) any geographic boundaries related to the operation of the**
9 **statewide 911 system under IC 36-8-16.7.**
10 SECTION 2. IC 4-23-7.3-16, AS AMENDED BY P.L.134-2021,
11 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2026]: Sec. 16. With money from the fund, the state GIS
13 officer, through the data center, the IGIC, and the other organizations,
14 shall do the following:
15 (1) Ensure that there are adequate depositories of all GIS data

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- 1 and framework data obtained by a state agency.
- 2 (2) Acquire, publish, store, and distribute GIS data and
- 3 framework data through the computer gateway administered
- 4 under IC 4-13.1-2-2(a)(6) by the office of technology and
- 5 through the state data center. The state GIS officer may also
- 6 provide access through the IGIC and other entities as directed by
- 7 the state GIS officer.
- 8 (3) Integrate GIS data and framework data developed and
- 9 maintained by state agencies and political subdivisions into the
- 10 statewide base map. **State agencies and political subdivisions**
- 11 **shall cooperate and participate as requested by the state GIS**
- 12 **officer to carry out this subdivision.**
- 13 (4) Maintain a state historical archive of GIS data, framework
- 14 data, and electronic maps.
- 15 (5) Except as otherwise provided in this chapter, provide public
- 16 access to GIS data and framework data in locations throughout
- 17 Indiana.
- 18 (6) Provide assistance to state agencies and political subdivisions
- 19 regarding public access to GIS data and framework data so that
- 20 information is available to the public while confidentiality is
- 21 protected for certain data from electronic maps.
- 22 (7) Develop and maintain statewide framework data layers
- 23 associated with a statewide base map or electronic map.
- 24 (8) Publish and distribute the state GIS data standards and the
- 25 statewide data integration plan adopted under section 14(2) of
- 26 this chapter.
- 27 (9) Subject to section 20 of this chapter, make GIS data,
- 28 framework data, and electronic maps available for use by the
- 29 Indiana Business Research Center.
- 30 SECTION 3. IC 4-23-7.3-20, AS ADDED BY P.L.198-2007,
- 31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 32 JULY 1, 2026]: Sec. 20. (a) Except as provided in subsections (b), (c),
- 33 and (d), a political subdivision maintains the right to control the sale,
- 34 exchange, and distribution of any GIS data or framework data provided
- 35 by the political subdivision to the state through a data exchange
- 36 agreement entered into under this chapter.
- 37 (b) A political subdivision may agree, through a provision in a data
- 38 exchange agreement, to allow the sale, exchange, or distribution of GIS
- 39 data or framework data provided to the state.
- 40 (c) Subsection (a) does not apply to data that is otherwise required
- 41 by state or federal law to be provided by a political subdivision to the
- 42 state or federal government.

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1 (d) ~~As a condition in a data exchange agreement for providing~~
 2 ~~state GIS data or framework data to a political subdivision;~~ The state
 3 GIS officer may require the political subdivision to follow the state GIS
 4 data standards and the statewide data integration plan when the
 5 political subdivision makes use of the GIS data or framework data as
 6 provided by the state.

7 SECTION 4. IC 4-33-12-8, AS AMENDED BY P.L.144-2024,
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 8. (a) This section applies to tax revenue
 10 collected from a riverboat operating from Lake County.

11 (b) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 12 quarterly pay the following amounts from the taxes collected during the
 13 preceding calendar quarter from the riverboat operating from East
 14 Chicago:

15 (1) The lesser of:

16 (A) eight hundred seventy-five thousand dollars (\$875,000);

17 or

18 (B) thirty-three and one-third percent (33 1/3%) of the
 19 admissions tax and supplemental wagering tax collected by
 20 the licensed owner during the preceding calendar quarter;
 21 to the fiscal officer of the northwest Indiana regional
 22 development authority to partially satisfy East Chicago's funding
 23 obligation to the authority under IC 36-7.5-4-2.

24 (2) The lesser of:

25 (A) two hundred eighteen thousand seven hundred fifty
 26 dollars (\$218,750); or

27 (B) thirty-three and one-third percent (33 1/3%) of the
 28 admissions tax and supplemental wagering tax collected by
 29 the licensed owner during the preceding calendar quarter;
 30 to the fiscal officer of the northwest Indiana regional
 31 development authority to partially satisfy Lake County's funding
 32 obligation to the authority under IC 36-7.5-4-2.

33 (3) Except as provided in section 9(k) of this chapter, the
 34 remainder, if any, of:

35 (A) thirty-three and one-third percent (33 1/3%) of the
 36 admissions tax and supplemental wagering tax collected by
 37 the licensed owner during the preceding calendar quarter;
 38 minus

39 (B) the amount distributed to the northwest Indiana regional
 40 development authority under subdivision (1) for the
 41 calendar quarter;

42 must be paid to the city of East Chicago.

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- 1 (4) Except as provided in section 9(k) of this chapter, the
 2 remainder, if any, of:
 3 (A) thirty-three and one-third percent (33 1/3%) of the
 4 admissions tax and supplemental wagering tax collected by
 5 the licensed owner during the preceding calendar quarter;
 6 minus
 7 (B) the amount distributed to the northwest Indiana regional
 8 development authority under subdivision (2) for the
 9 calendar quarter;
 10 must be paid to Lake County.
 11 (5) Except as provided in section 9(k) of this chapter, three
 12 percent (3%) of the admissions tax and supplemental wagering
 13 tax collected by the licensed owner during the preceding
 14 calendar quarter must be paid to the county convention and
 15 visitors bureau for Lake County.
 16 (6) Except as provided in section 9(k) of this chapter, three
 17 hundred thirty-three thousandths percent (.333%) of the
 18 admissions tax and supplemental wagering tax collected by the
 19 licensed owner during the preceding calendar quarter must be
 20 paid to the northern Indiana law enforcement training center.
 21 (7) Except as provided in section 9(k) of this chapter, five
 22 percent (5%) of the admissions tax and supplemental wagering
 23 tax collected by the licensed owner during the preceding
 24 calendar quarter must be paid to the state fair commission for
 25 use in any activity that the commission is authorized to carry out
 26 under IC 15-13-3.
 27 (8) Except as provided in section 9(k) of this chapter, three and
 28 thirty-three hundredths percent (3.33%) of the admissions tax
 29 and supplemental wagering tax collected by the licensed owner
 30 during the preceding calendar quarter must be paid to the
 31 division of mental health and addiction.
 32 (9) Twenty-one and six hundred sixty-seven thousandths percent
 33 (21.667%) of the admissions tax and supplemental wagering tax
 34 collected by the licensed owner during the preceding calendar
 35 quarter must be paid to the state general fund.
 36 (c) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 37 quarterly pay the following amounts from the taxes collected during the
 38 preceding calendar quarter from ~~each~~ the riverboat operating in Gary:
 39 (1) The lesser of:
 40 (A) ~~four hundred thirty-seven thousand five hundred dollars~~
 41 ~~(\$437,500);~~ **eight hundred seventy-five thousand dollars**
 42 **(\$875,000);** or

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- 1 (B) thirty-three and one-third percent (33 1/3%) of the
- 2 admissions tax and supplemental wagering tax collected by
- 3 the licensed owner during the preceding calendar quarter;
- 4 to the fiscal officer of the northwest Indiana regional
- 5 development authority to partially satisfy Gary's funding
- 6 obligation to the authority under IC 36-7.5-4-2.
- 7 (2) The lesser of:
- 8 (A) ~~two hundred eighteen thousand seven hundred fifty~~
- 9 ~~dollars (\$218,750);~~ **four hundred thirty-seven thousand**
- 10 **five hundred dollars (\$437,500);** or
- 11 (B) thirty-three and one-third percent (33 1/3%) of the
- 12 admissions tax and supplemental wagering tax collected by
- 13 the licensed owner during the preceding calendar quarter;
- 14 to the fiscal officer of the northwest Indiana regional
- 15 development authority to partially satisfy Lake County's funding
- 16 obligation to the authority under IC 36-7.5-4-2.
- 17 (3) Except as provided in section 9(k) of this chapter, the
- 18 remainder, if any, of:
- 19 (A) thirty-three and one-third percent (33 1/3%) of the
- 20 admissions tax and supplemental wagering tax collected by
- 21 the licensed owner of a riverboat operating in Gary during
- 22 the preceding calendar quarter; minus
- 23 (B) the amount distributed to the northwest Indiana regional
- 24 development authority under subdivision (1) for the
- 25 calendar quarter;
- 26 must be paid to the city of Gary.
- 27 (4) Except as provided in section 9(k) of this chapter, the
- 28 remainder, if any, of:
- 29 (A) thirty-three and one-third percent (33 1/3%) of the
- 30 admissions tax and supplemental wagering tax collected by
- 31 the licensed owner of a riverboat operating in Gary during
- 32 the preceding calendar quarter; minus
- 33 (B) the amount distributed to the northwest Indiana regional
- 34 development authority under subdivision (2) for the
- 35 calendar quarter;
- 36 must be paid to Lake County.
- 37 (5) Except as provided in section 9(k) of this chapter, three
- 38 percent (3%) of the admissions tax and supplemental wagering
- 39 tax collected by the licensed owner of a riverboat operating in
- 40 Gary during the preceding calendar quarter must be paid to the
- 41 county convention and visitors bureau for Lake County.
- 42 (6) Except as provided in section 9(k) of this chapter, three

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1 hundred thirty-three thousandths percent (.333%) of the
 2 admissions tax and supplemental wagering tax collected by the
 3 licensed owner of a riverboat operating in Gary during the
 4 preceding calendar quarter must be paid to the northern Indiana
 5 law enforcement training center.

6 (7) Except as provided in section 9(k) of this chapter, five
 7 percent (5%) of the admissions tax and supplemental wagering
 8 tax collected by the licensed owner of a riverboat operating in
 9 Gary during the preceding calendar quarter must be paid to the
 10 state fair commission for use in any activity that the commission
 11 is authorized to carry out under IC 15-13-3.

12 (8) Except as provided in section 9(k) of this chapter, three and
 13 thirty-three hundredths percent (3.33%) of the admissions tax
 14 and supplemental wagering tax collected by the licensed owner
 15 of a riverboat operating in Gary during the preceding calendar
 16 quarter must be paid to the division of mental health and
 17 addiction.

18 (9) Twenty-one and six hundred sixty-seven thousandths percent
 19 (21.667%) of the admissions tax and supplemental wagering tax
 20 collected by the licensed owner of a riverboat operating in Gary
 21 during the preceding calendar quarter must be paid to the state
 22 general fund.

23 (d) Except as provided by IC 6-3.1-20-7, the treasurer of state shall
 24 quarterly pay the following amounts from the taxes collected during the
 25 preceding calendar quarter from the riverboat operating in Hammond:

26 (1) The lesser of:

27 (A) eight hundred seventy-five thousand dollars (\$875,000);
 28 or

29 (B) thirty-three and one-third percent (33 1/3%) of the
 30 admissions tax and supplemental wagering tax collected by
 31 the licensed owner of a riverboat operating in Hammond
 32 during the preceding calendar quarter;

33 to the fiscal officer of the northwest Indiana regional
 34 development authority to partially satisfy Hammond's funding
 35 obligation to the authority under IC 36-7.5-4-2.

36 (2) The lesser of:

37 (A) two hundred eighteen thousand seven hundred fifty
 38 dollars (\$218,750); or

39 (B) thirty-three and one-third percent (33 1/3%) of the
 40 admissions tax and supplemental wagering tax collected by
 41 the licensed owner during the preceding calendar quarter;

42 to the fiscal officer of the northwest Indiana regional

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- 1 development authority to partially satisfy Lake County's funding
 2 obligation to the authority under IC 36-7.5-4-2.
- 3 (3) Except as provided in section 9(k) of this chapter, the
 4 remainder, if any, of:
- 5 (A) thirty-three and one-third percent (33 1/3%) of the
 6 admissions tax and supplemental wagering tax collected by
 7 the licensed owner of the riverboat during the preceding
 8 calendar quarter; minus
- 9 (B) the amount distributed to the northwest Indiana regional
 10 development authority under subdivision (1) for the
 11 calendar quarter;
 12 must be paid to the city of Hammond.
- 13 (4) Except as provided in section 9(k) of this chapter, the
 14 remainder, if any, of:
- 15 (A) thirty-three and one-third percent (33 1/3%) of the
 16 admissions tax and supplemental wagering tax collected by
 17 the licensed owner of the riverboat during the preceding
 18 calendar quarter; minus
- 19 (B) the amount distributed to the northwest Indiana regional
 20 development authority under subdivision (2) for the
 21 calendar quarter;
 22 must be paid to Lake County.
- 23 (5) Except as provided in section 9(k) of this chapter, three
 24 percent (3%) of the admissions tax and supplemental wagering
 25 tax collected by the licensed owner of the riverboat during the
 26 preceding calendar quarter must be paid to the county
 27 convention and visitors bureau for Lake County.
- 28 (6) Except as provided in section 9(k) of this chapter, three
 29 hundred thirty-three thousandths percent (.333%) of the
 30 admissions tax and supplemental wagering tax collected by the
 31 licensed owner of a riverboat during the preceding calendar
 32 quarter must be paid to the northern Indiana law enforcement
 33 training center.
- 34 (7) Except as provided in section 9(k) of this chapter, five
 35 percent (5%) of the admissions tax and supplemental wagering
 36 tax collected by the licensed owner of the riverboat during the
 37 preceding calendar quarter must be paid to the state fair
 38 commission for use in any activity that the commission is
 39 authorized to carry out under IC 15-13-3.
- 40 (8) Except as provided in section 9(k) of this chapter, three and
 41 thirty-three hundredths percent (3.33%) of the admissions tax
 42 and supplemental wagering tax collected by the licensed owner

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1 for each person admitted to the riverboat during the preceding
 2 calendar quarter must be paid to the division of mental health
 3 and addiction.
 4 (9) Twenty-one and six hundred sixty-seven thousandths percent
 5 (21.667%) of the admissions tax and supplemental wagering tax
 6 collected by the licensed owner of the riverboat during the
 7 preceding calendar quarter must be paid to the state general
 8 fund.
 9 SECTION 5. IC 4-33-13-2.5 IS REPEALED [EFFECTIVE UPON
 10 PASSAGE]. Sec. 2.5: (a) This section applies only to tax revenue:
 11 (1) remitted by a licensed owner operating a riverboat sited at a
 12 location approved under IC 4-33-6-4.5; and
 13 (2) collected under this chapter after June 30, 2025.
 14 (b) Notwithstanding section 3 of this chapter, the department shall
 15 deposit from the tax revenue remitted under this chapter by a licensed
 16 owner operating a riverboat sited at a location approved under
 17 IC 4-33-6-4.5 amounts as follows:
 18 (1) In each state fiscal year beginning after June 30, 2025, and
 19 ending before July 1, 2027, an amount equal to the amount
 20 deposited under IC 36-7.5-6-5(a) by the city of Gary in the
 21 blighted property demolition fund established by IC 36-7.5-6-4,
 22 up to three million dollars (\$3,000,000).
 23 (2) In each state fiscal year beginning after June 30, 2025, and
 24 ending before July 1, 2045, an amount equal to the amount
 25 deposited under IC 36-7.5-7-5(c) by an entity in the Lake County
 26 economic development and convention fund established by
 27 IC 36-7.5-7-5, up to five million dollars (\$5,000,000).
 28 (3) In each state fiscal year beginning after June 30, 2025, and
 29 ending before July 1, 2050, an amount equal to the amount
 30 deposited under IC 36-7.5-8-4 by the city of Gary, or on behalf
 31 of the city of Gary from any other source, in the Gary Metro
 32 Center station revitalization fund established by IC 36-7.5-8-3,
 33 up to three million dollars (\$3,000,000).
 34 Any amount of tax revenue remitted under this chapter by a licensed
 35 owner operating a riverboat sited at a location approved under
 36 IC 4-33-6-4.5 in a state fiscal year that exceeds the amount required for
 37 the deposits in this subsection for the state fiscal year must be
 38 deposited in the state gaming fund under section 3 of this chapter.
 39 (c) Budget committee review is required before any money may
 40 be:
 41 (1) matched under subsection (b); and
 42 (2) released to any of the following funds:

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- 1 (A) The blighted property demolition fund established by
- 2 IC 36-7.5-6-4.
- 3 (B) The Lake County economic development and
- 4 convention fund established by IC 36-7.5-7-5.
- 5 (C) The Gary Metro Center station revitalization fund
- 6 established by IC 36-7.5-8-3.
- 7 (d) The northwest Indiana regional development authority
- 8 established by IC 36-7.5-2-1 shall provide any information to the
- 9 department that the department determines is necessary for the
- 10 department to carry out this section.
- 11 (e) This section expires July 1, 2050.
- 12 SECTION 6. IC 4-33-13-3, AS AMENDED BY P.L.195-2023,
- 13 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 14 UPON PASSAGE]: Sec. 3. ~~Except as provided in section 2.5 of this~~
- 15 ~~chapter,~~ The department shall deposit tax revenue collected under this
- 16 chapter in the state gaming fund.
- 17 SECTION 7. IC 4-33-13-5, AS AMENDED BY P.L.9-2024,
- 18 SECTION 109, IS AMENDED TO READ AS FOLLOWS
- 19 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This subsection does not
- 20 apply to tax revenue remitted by an operating agent operating a
- 21 riverboat in a historic hotel district. Excluding funds that are
- 22 appropriated in the biennial budget act from the state gaming fund to
- 23 the commission for purposes of administering this article, each month
- 24 the state comptroller shall distribute the tax revenue deposited in the
- 25 state gaming fund under this chapter to the following:
- 26 (1) An amount equal to the following shall be set aside for
- 27 revenue sharing under subsection (d):
- 28 (A) Before July 1, 2021, the first thirty-three million dollars
- 29 (\$33,000,000) of tax revenues collected under this chapter
- 30 shall be set aside for revenue sharing under subsection (d).
- 31 (B) After June 30, 2021, if the total adjusted gross receipts
- 32 received by licensees from gambling games authorized
- 33 under this article during the preceding state fiscal year is
- 34 equal to or greater than the total adjusted gross receipts
- 35 received by licensees from gambling games authorized
- 36 under this article during the state fiscal year ending June 30,
- 37 2020, the first thirty-three million dollars (\$33,000,000) of
- 38 tax revenues collected under this chapter shall be set aside
- 39 for revenue sharing under subsection (d).
- 40 (C) After June 30, 2021, if the total adjusted gross receipts
- 41 received by licensees from gambling games authorized
- 42 under this article during the preceding state fiscal year is

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1 less than the total adjusted gross receipts received by
2 licensees from gambling games authorized under this article
3 during the state year ending June 30, 2020, an amount equal
4 to the first thirty-three million dollars (\$33,000,000) of tax
5 revenues collected under this chapter multiplied by the
6 result of:

7 (i) the total adjusted gross receipts received by
8 licensees from gambling games authorized under this
9 article during the preceding state fiscal year; divided
10 by

11 (ii) the total adjusted gross receipts received by
12 licensees from gambling games authorized under this
13 article during the state fiscal year ending June 30,
14 2020;

15 shall be set aside for revenue sharing under subsection (d).

16 (2) Subject to subsection (c), twenty-five percent (25%) of the
17 remaining tax revenue remitted by each licensed owner shall be
18 paid **according to the following:**

19 (A) **Except as provided in clause (C), to the city,**
20 **(excluding, after June 30, 2026, the city of Gary),** in
21 which the riverboat is located or that is designated as the
22 home dock of the riverboat from which the tax revenue was
23 collected, in the case of:

- 24 (i) a city described in IC 4-33-12-6(b)(1)(A);
- 25 (ii) a city located in Lake County, **(excluding, after**
26 **June 30, 2026, the city of Gary);** or
- 27 (iii) Terre Haute. or

28 (B) To the county that is designated as the home dock of the
29 riverboat from which the tax revenue was collected, in the
30 case of a riverboat that is not located in a city described in
31 clause (A) or whose home dock is not in a city described in
32 clause (A).

33 (C) **In the case of the twenty-five percent (25%) of the**
34 **remaining tax revenue remitted by the licensed owner of**
35 **the riverboat located in the city of Gary, in each state**
36 **fiscal year beginning after June 30, 2026, an amount**
37 **equal to:**

- 38 (i) **forty percent (40%) of the revenue shall be**
39 **deposited in the Lake County economic**
40 **development and convention fund established by**
41 **IC 36-7.5-7-5, until the amount deposited under this**
42 **item equals five million dollars (\$5,000,000) for a**

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particular state fiscal year; and
(ii) sixty percent (60%) of the revenue shall be paid to the city of Gary.

After the total amount of money deposited in the Lake County economic development and convention fund established by IC 36-7.5-7-5 for a particular state fiscal year under item (i) equals five million dollars (\$5,000,000), one hundred percent (100%) of the remaining revenue under this subdivision shall be paid to the city of Gary for the rest of that state fiscal year. For purposes of this subdivision, the state comptroller shall treat any amounts deposited under this clause in the Lake County economic development and convention fund established by IC 36-7.5-7-5 as amounts constructively received by the city of Gary and used to satisfy the city of Gary's funding obligation to the northwest Indiana regional development authority under IC 36-7.5-7-5.

(3) For state fiscal years ending before July 1, 2050, after making the distributions under subdivisions (1) and (2), the state comptroller shall make distributions from the remaining tax revenue remitted by each licensed owner in the following order of priority:

(A) In each state fiscal year beginning after June 30, 2025, and ending with the earlier of:

(i) the state fiscal year beginning July 1, 2044, and ending June 30, 2045, however, if the required review by the budget committee before the first distribution under this clause does not occur until the state fiscal year beginning July 1, 2026, and ending June 30, 2027, then the state fiscal year beginning July 1, 2045, and ending June 30, 2046, is the applicable final state fiscal year under this item; or

(ii) the date on which the state budget director receives a certificate from the public finance director appointed under IC 5-1.2-3-6 that all indebtedness of the Indiana finance authority and the northwest Indiana regional development authority which is secured by the fund has been repaid;

an amount equal to the amount deposited under

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IC 36-7.5-7-5(c) by the approved entity in the Lake County economic development and convention fund established by IC 36-7.5-7-5, up to five million dollars (\$5,000,000). However, review by the budget committee is required before the first distribution for the first state fiscal year may be made under this clause.

(B) In each state fiscal year beginning after June 30, 2025, and ending before July 1, 2027, and only after:

(i) review by the budget committee before the first distribution under this clause; and

(ii) for each subsequent distribution, upon the state budget director's receipt of a certificate from the fiscal officer of the northwest Indiana regional development authority of the amount deposited under IC 36-7.5-6-5(a) by the city of Gary in the blighted property demolition fund established by IC 36-7.5-6-4 during the state fiscal year;

an amount equal to the amount deposited under IC 36-7.5-6-5(a) by the city of Gary in the blighted property demolition fund established by IC 36-7.5-6-4, up to three million dollars (\$3,000,000).

(C) In each state fiscal year beginning after June 30, 2025, and ending before July 1, 2050, and only after:

(i) review by the budget committee before the first distribution under this clause; and

(ii) for each subsequent distribution, upon the state budget director's receipt of a certificate from the fiscal officer of the northwest Indiana regional development authority of the amount deposited under IC 36-7.5-8-4 by the city of Gary, or on behalf of the city of Gary from any other source, in the Gary Metro Center station revitalization fund established by IC 36-7.5-8-3 during the state fiscal year;

an amount equal to the amount deposited under IC 36-7.5-8-4 by the city of Gary, or on behalf of the city of Gary from any other source, in the Gary Metro Center station revitalization fund established by IC 36-7.5-8-3, up to three million dollars (\$3,000,000).

The northwest Indiana regional development authority established by IC 36-7.5-2-1 shall provide any information to the department that the department determines is necessary

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1 **to carry out this subdivision. This subdivision expires July 1,**
 2 **2050.**
 3 ~~(3)~~ **(4)** The remainder of the tax revenue remitted by each
 4 licensed owner shall be paid to the state general fund. In each
 5 state fiscal year, the state comptroller shall make the transfer
 6 required by this subdivision on or before the fifteenth day of the
 7 month based on revenue received during the preceding month
 8 for deposit in the state gaming fund. Specifically, the state
 9 comptroller may transfer the tax revenue received by the state in
 10 a month to the state general fund in the immediately following
 11 month according to this subdivision.
 12 (b) This subsection applies only to tax revenue remitted by an
 13 operating agent operating a riverboat in a historic hotel district after
 14 June 30, 2019. Excluding funds that are appropriated in the biennial
 15 budget act from the state gaming fund to the commission for purposes
 16 of administering this article, each month the state comptroller shall
 17 distribute the tax revenue remitted by the operating agent under this
 18 chapter as follows:
 19 (1) For state fiscal years beginning after June 30, 2019, but
 20 ending before July 1, 2021, fifty-six and five-tenths percent
 21 (56.5%) shall be paid to the state general fund.
 22 (2) For state fiscal years beginning after June 30, 2021, fifty-six
 23 and five-tenths percent (56.5%) shall be paid as follows:
 24 (A) Sixty-six and four-tenths percent (66.4%) shall be paid
 25 to the state general fund.
 26 (B) Thirty-three and six-tenths percent (33.6%) shall be
 27 paid to the West Baden Springs historic hotel preservation
 28 and maintenance fund established by IC 36-7-11.5-11(b).
 29 However, if:
 30 (i) at any time the balance in that fund exceeds
 31 twenty-five million dollars (\$25,000,000); or
 32 (ii) in any part of a state fiscal year in which the
 33 operating agent has received at least one hundred
 34 million dollars (\$100,000,000) of adjusted gross
 35 receipts;
 36 the amount described in this clause shall be paid to the state
 37 general fund for the remainder of the state fiscal year.
 38 (3) Forty-three and five-tenths percent (43.5%) shall be paid as
 39 follows:
 40 (A) Twenty-two and four-tenths percent (22.4%) shall be
 41 paid as follows:
 42 (i) Fifty percent (50%) to the fiscal officer of the town

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of French Lick.

(ii) Fifty percent (50%) to the fiscal officer of the town of West Baden Springs.

(B) Fourteen and eight-tenths percent (14.8%) shall be paid to the county treasurer of Orange County for distribution among the school corporations in the county. The governing bodies for the school corporations in the county shall provide a formula for the distribution of the money received under this clause among the school corporations by joint resolution adopted by the governing body of each of the school corporations in the county. Money received by a school corporation under this clause must be used to improve the educational attainment of students enrolled in the school corporation receiving the money. Not later than the first regular meeting in the school year of a governing body of a school corporation receiving a distribution under this clause, the superintendent of the school corporation shall submit to the governing body a report describing the purposes for which the receipts under this clause were used and the improvements in educational attainment realized through the use of the money. The report is a public record.

(C) Thirteen and one-tenth percent (13.1%) shall be paid to the county treasurer of Orange County.

(D) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Dubois County for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(E) Five and three-tenths percent (5.3%) shall be distributed quarterly to the county treasurer of Crawford County for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county

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executive.
(F) Six and thirty-five hundredths percent (6.35%) shall be paid to the fiscal officer of the town of Paoli.
(G) Six and thirty-five hundredths percent (6.35%) shall be paid to the fiscal officer of the town of Orleans.
(H) Twenty-six and four-tenths percent (26.4%) shall be paid to the Indiana economic development corporation established by IC 5-28-3-1 for transfer as follows:
(i) Beginning after December 31, 2017, ten percent (10%) of the amount transferred under this clause in each calendar year shall be transferred to the South Central Indiana Regional Economic Development Corporation or a successor entity or partnership for economic development for the purpose of recruiting new business to Orange County as well as promoting the retention and expansion of existing businesses in Orange County.
(ii) The remainder of the amount transferred under this clause in each calendar year shall be transferred to Radius Indiana or a successor regional entity or partnership for the development and implementation of a regional economic development strategy to assist the residents of Orange County and the counties contiguous to Orange County in improving their quality of life and to help promote successful and sustainable communities.
To the extent possible, the Indiana economic development corporation shall provide for the transfer under item (i) to be made in four (4) equal installments. However, an amount sufficient to meet current obligations to retire or refinance indebtedness or leases for which tax revenues under this section were pledged before January 1, 2015, by the Orange County development commission shall be paid to the Orange County development commission before making distributions to the South Central Indiana Regional Economic Development Corporation and Radius Indiana or their successor entities or partnerships. The amount paid to the Orange County development commission shall proportionally reduce the amount payable to the South Central Indiana Regional Economic Development Corporation and Radius Indiana or their successor entities or partnerships.

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1 (c) This subsection does not apply to tax revenue remitted by an
 2 inland casino operating in Vigo County. For each city and county
 3 receiving money under subsection (a)(2), the state comptroller shall
 4 determine the total amount of money paid by the state comptroller to
 5 the city or county during the state fiscal year 2002. The amount
 6 determined is the base year revenue for the city or county. The state
 7 comptroller shall certify the base year revenue determined under this
 8 subsection to the city or county. The total amount of money distributed
 9 to a city or county under this section during a state fiscal year may not
 10 exceed the entity's base year revenue. For each state fiscal year, the
 11 state comptroller shall pay that part of the riverboat wagering taxes
 12 that:

- 13 (1) exceeds a particular city's or county's base year revenue; and
- 14 (2) would otherwise be due to the city or county under this
- 15 section;

16 to the state general fund instead of to the city or county.
 17 (d) Except as provided in subsections (k) and (l), before August 15
 18 of each year, the state comptroller shall distribute the wagering taxes
 19 set aside for revenue sharing under subsection (a)(1) to the county
 20 treasurer of each county that does not have a riverboat according to the
 21 ratio that the county's population bears to the total population of the
 22 counties that do not have a riverboat. Except as provided in subsection
 23 (g), the county auditor shall distribute the money received by the
 24 county under this subsection as follows:

- 25 (1) To each city located in the county according to the ratio the
- 26 city's population bears to the total population of the county.
- 27 (2) To each town located in the county according to the ratio the
- 28 town's population bears to the total population of the county.
- 29 (3) After the distributions required in subdivisions (1) and (2)
- 30 are made, the remainder shall be retained by the county.

31 (e) Money received by a city, town, or county under subsection (d)
 32 or (g) may be used for any of the following purposes:

- 33 (1) To reduce the property tax levy of the city, town, or county
- 34 for a particular year (a property tax reduction under this
- 35 subdivision does not reduce the maximum levy of the city, town,
- 36 or county under IC 6-1.1-18.5).
- 37 (2) For deposit in a special fund or allocation fund created under
- 38 IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and
- 39 IC 36-7-30 to provide funding for debt repayment.
- 40 (3) To fund sewer and water projects, including storm water
- 41 management projects.
- 42 (4) For police and fire pensions.

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1 (5) To carry out any governmental purpose for which the money
 2 is appropriated by the fiscal body of the city, town, or county.
 3 Money used under this subdivision does not reduce the property
 4 tax levy of the city, town, or county for a particular year or
 5 reduce the maximum levy of the city, town, or county under
 6 IC 6-1.1-18.5.

7 (f) This subsection does not apply to an inland casino operating in
 8 Vigo County. Before July 15 of each year, the state comptroller shall
 9 determine the total amount of money distributed to an entity under
 10 IC 4-33-12-6 or IC 4-33-12-8 during the preceding state fiscal year. If
 11 the state comptroller determines that the total amount of money
 12 distributed to an entity under IC 4-33-12-6 or IC 4-33-12-8 during the
 13 preceding state fiscal year was less than the entity's base year revenue
 14 (as determined under IC 4-33-12-9), the state comptroller shall make
 15 a supplemental distribution to the entity from taxes collected under this
 16 chapter and deposited into the state general fund. Except as provided
 17 in subsection (h), the amount of an entity's supplemental distribution
 18 is equal to:

19 (1) the entity's base year revenue (as determined under
 20 IC 4-33-12-9); minus

21 (2) the sum of:

22 (A) the total amount of money distributed to the entity and
 23 constructively received by the entity during the preceding
 24 state fiscal year under IC 4-33-12-6 or IC 4-33-12-8; plus

25 (B) the amount of any admissions taxes deducted under
 26 IC 6-3.1-20-7.

27 (g) This subsection applies only to Marion County. The county
 28 auditor shall distribute the money received by the county under
 29 subsection (d) as follows:

30 (1) To each city, other than the consolidated city, located in the
 31 county according to the ratio that the city's population bears to
 32 the total population of the county.

33 (2) To each town located in the county according to the ratio that
 34 the town's population bears to the total population of the county.

35 (3) After the distributions required in subdivisions (1) and (2)
 36 are made, the remainder shall be paid in equal amounts to the
 37 consolidated city and the county.

38 (h) This subsection does not apply to an inland casino operating
 39 in Vigo County. This subsection applies to a supplemental distribution
 40 made after June 30, 2017. The maximum amount of money that may be
 41 distributed under subsection (f) in a state fiscal year is equal to the
 42 following:

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- 1 (1) Before July 1, 2021, forty-eight million dollars
- 2 (\$48,000,000).
- 3 (2) After June 30, 2021, if the total adjusted gross receipts
- 4 received by licensees from gambling games authorized under
- 5 this article during the preceding state fiscal year is equal to or
- 6 greater than the total adjusted gross receipts received by
- 7 licensees from gambling games authorized under this article
- 8 during the state fiscal year ending June 30, 2020, the maximum
- 9 amount is forty-eight million dollars (\$48,000,000).
- 10 (3) After June 30, 2021, if the total adjusted gross receipts
- 11 received by licensees from gambling games authorized under
- 12 this article during the preceding state fiscal year is less than the
- 13 total adjusted gross receipts received by licensees from gambling
- 14 games authorized under this article during the state fiscal year
- 15 ending June 30, 2020, the maximum amount is equal to the
- 16 result of:
 - 17 (A) forty-eight million dollars (\$48,000,000); multiplied by
 - 18 (B) the result of:
 - 19 (i) the total adjusted gross receipts received by
 - 20 licensees from gambling games authorized under this
 - 21 article during the preceding state fiscal year; divided
 - 22 by
 - 23 (ii) the total adjusted gross receipts received by
 - 24 licensees from gambling games authorized under this
 - 25 article during the state fiscal year ending June 30,
 - 26 2020.
- 27 If the total amount determined under subsection (f) exceeds the
- 28 maximum amount determined under this subsection, the amount
- 29 distributed to an entity under subsection (f) must be reduced according
- 30 to the ratio that the amount distributed to the entity under IC 4-33-12-6
- 31 or IC 4-33-12-8 bears to the total amount distributed under
- 32 IC 4-33-12-6 and IC 4-33-12-8 to all entities receiving a supplemental
- 33 distribution.
- 34 (i) This subsection applies to a supplemental distribution, if any,
- 35 payable to Lake County, Hammond, Gary, or East Chicago under
- 36 subsections (f) and (h). Beginning in July 2016, the state comptroller
- 37 shall, after making any deductions from the supplemental distribution
- 38 required by IC 6-3.1-20-7, deduct from the remainder of the
- 39 supplemental distribution otherwise payable to the unit under this
- 40 section the lesser of:
 - 41 (1) the remaining amount of the supplemental distribution; or
 - 42 (2) the difference, if any, between:

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- 1 (A) three million five hundred thousand dollars
- 2 (\$3,500,000); minus
- 3 (B) the amount of admissions taxes constructively received
- 4 by the unit in the previous state fiscal year.

5 The state comptroller shall distribute the amounts deducted under this
 6 subsection to the northwest Indiana ~~redevelopment~~ **regional**
 7 **development** authority established under IC 36-7.5-2-1 for deposit in
 8 the development authority revenue fund established under
 9 IC 36-7.5-4-1.

10 (j) Money distributed to a political subdivision under subsection
 11 (b):

- 12 (1) must be paid to the fiscal officer of the political subdivision
- 13 and may be deposited in the political subdivision's general fund
- 14 (in the case of a school corporation, the school corporation may
- 15 deposit the money into either the education fund (IC 20-40-2) or
- 16 the operations fund (IC 20-40-18)) or riverboat fund established
- 17 under IC 36-1-8-9, or both;
- 18 (2) may not be used to reduce the maximum levy under
- 19 IC 6-1.1-18.5 of a county, city, or town or the maximum tax rate
- 20 of a school corporation, but, except as provided in subsection
- 21 (b)(3)(B), may be used at the discretion of the political
- 22 subdivision to reduce the property tax levy of the county, city, or
- 23 town for a particular year;
- 24 (3) except as provided in subsection (b)(3)(B), may be used for
- 25 any legal or corporate purpose of the political subdivision,
- 26 including the pledge of money to bonds, leases, or other
- 27 obligations under IC 5-1-14-4; and
- 28 (4) is considered miscellaneous revenue.

29 Money distributed under subsection (b)(3)(B) must be used for the
 30 purposes specified in subsection (b)(3)(B).

31 (k) After June 30, 2020, the amount of wagering taxes that would
 32 otherwise be distributed to South Bend under subsection (d) shall be
 33 deposited as being received from all riverboats whose supplemental
 34 wagering tax, as calculated under IC 4-33-12-1.5(b), is over three and
 35 five-tenths percent (3.5%). The amount deposited under this
 36 subsection, in each riverboat's account, is proportionate to the
 37 supplemental wagering tax received from that riverboat under
 38 IC 4-33-12-1.5 in the month of July. The amount deposited under this
 39 subsection must be distributed in the same manner as the supplemental
 40 wagering tax collected under IC 4-33-12-1.5. This subsection expires
 41 June 30, 2021.

42 (l) After June 30, 2021, the amount of wagering taxes that would

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1 otherwise be distributed to South Bend under subsection (d) shall be
 2 withheld and deposited in the state general fund.
 3 SECTION 8. IC 4-33-13-5.4, AS ADDED BY P.L.169-2025,
 4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 5.4. (a) This section applies to each state
 6 fiscal year beginning after June 30, 2026.
 7 (b) As used in this section, "qualified city" refers to East Chicago,
 8 Hammond, or Michigan City.
 9 (c) As used in this section, "supplemental payment statute" refers
 10 to IC 4-33-13-5.3, as in effect on January 1, 2025.
 11 (d) Subject to subsections (i) and (j), a qualified city is entitled to
 12 supplemental payments under this section for amounts not paid in state
 13 fiscal years 2022, 2023, 2024, and 2025 under the supplemental
 14 payment statute. The state comptroller shall determine the total amount
 15 of supplemental payments to which each qualified city is entitled as
 16 follows:
 17 (1) In the case of East Chicago, an amount equal to the sum of
 18 the following:
 19 (A) Six million four hundred seventy-four thousand two
 20 hundred seventy-four dollars (\$6,474,274).
 21 (B) The amount, if any, for state fiscal year 2025 for which
 22 East Chicago is eligible under the supplemental payment
 23 statute.
 24 (2) In the case of Michigan City, an amount equal to the sum of
 25 the following:
 26 (A) Five million seven hundred fifty-two thousand one
 27 hundred twenty-five dollars (\$5,752,125).
 28 (B) The amount, if any, for state fiscal year 2025 for which
 29 Michigan City is eligible under the supplemental payment
 30 statute.
 31 (3) In the case of Hammond, an amount equal to the amount, if
 32 any, for state fiscal year 2025 for which Hammond is eligible
 33 under the supplemental payment statute.
 34 (e) Subject to subsections (j) and (l), each month, **after deducting**
 35 **the amount required under section 5(a)(2)(C)(i) of this chapter**, the
 36 state comptroller shall deduct an amount otherwise payable to Gary
 37 under section ~~5(a)(2)~~ **5(a)(2)(C)** of this chapter, if any, for the purpose
 38 of this chapter, not to exceed a total of two million dollars (\$2,000,000)
 39 for the state fiscal year.
 40 (f) Subject to subsections (i), (j), and (l), the state comptroller shall
 41 annually distribute supplemental payments to each qualified city, on a
 42 monthly basis, based on:

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- 1 (1) the amount deducted under subsection (e) in the preceding
- 2 month; and
- 3 (2) one-twelfth (1/12) of the amount appropriated from the state
- 4 general fund under subsection (k).
- 5 (g) Money for the supplemental payments is sourced from:
- 6 (1) the total amount deducted under subsection (e) in the state
- 7 fiscal year; plus
- 8 (2) money appropriated by the general assembly for the state
- 9 fiscal year for the purpose of making supplemental payments
- 10 under this section.
- 11 (h) The state comptroller shall make a supplemental payment in
- 12 each state fiscal year to each qualified city in an amount determined
- 13 under the last STEP of the following formula:
- 14 STEP ONE: Divide the:
- 15 (A) total amount determined under subsection (d) for the
- 16 qualified city; by
- 17 (B) aggregate amount of supplemental payments for all
- 18 qualified cities determined under subsection (d).
- 19 STEP TWO: Multiply the:
- 20 (A) STEP ONE result; by
- 21 (B) amount of money to be used for supplemental payments
- 22 in the state fiscal year under subsections (f) and (g).
- 23 (i) A qualified city may not receive a supplemental payment in
- 24 excess of the amount determined under subsection (d) for the qualified
- 25 city.
- 26 (j) The total amount of supplemental payments made to qualified
- 27 cities in all state fiscal years may not exceed the aggregate amount of
- 28 supplemental payments determined under subsection (d).
- 29 (k) There is appropriated from the state general fund to the gaming
- 30 fund two million dollars (\$2,000,000) in each state fiscal year
- 31 beginning after June 30, 2026, which may only be used to make
- 32 supplemental payments. Any amount not needed to make a
- 33 supplemental payment in a state fiscal year reverts to the state general
- 34 fund at the close of the state fiscal year and may not be used for any
- 35 other purpose.
- 36 (l) After the total amount of all supplemental payments to
- 37 qualified cities determined in subsection (d) have been made under this
- 38 chapter, the state comptroller shall continue, each month, **after**
- 39 **deducting the amount required under section 5(a)(2)(C)(i) of this**
- 40 **chapter**, to deduct an amount otherwise payable to Gary under section
- 41 ~~5(a)(2)~~ **5(a)(2)(C)** of this chapter as set forth in subsection (e) not to
- 42 exceed a total of two million dollars (\$2,000,000) for the state fiscal

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1 year for the purpose of repaying to the state the total amounts
 2 appropriated from the state general fund under subsection (k) and paid
 3 to qualified cites as supplemental payments under this chapter. The
 4 state comptroller shall cease the deductions under this subsection on
 5 the date that the total amounts appropriated from the state general fund
 6 under subsection (k) and paid to qualified cites have been repaid.

7 (m) This section expires July 1, 2039.

8 SECTION 9. IC 5-1-14-19 IS ADDED TO THE INDIANA CODE
 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 10 1, 2026]: **Sec. 19. (a) This section applies to a contract between a
 11 municipal entity and a municipal adviser entered into, renewed, or
 12 amended after June 30, 2026.**

13 (b) As used in this section, "municipal adviser" means a
 14 person defined as a municipal adviser under Section 15B of the
 15 Securities Exchange Act.

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

- 17 (1) a county;
- 18 (2) a township;
- 19 (3) a city;
- 20 (4) a town;
- 21 (5) a school corporation;
- 22 (6) a special taxing district;
- 23 (7) an instrumentality of an entity listed in subdivisions (1)
 24 through (6); and
- 25 (8) any other entity required to sell bonds pursuant to
 26 IC 5-1-11.

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

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

34 (f) As used in this section, "solicitation of a municipal entity or
 35 obligated person" has the meaning set forth in 15 U.S.C.
 36 78o-4(e)(9).

37 (g) If a municipal entity hires or retains a municipal adviser,
 38 the municipal entity shall complete a request for proposals at least
 39 once every three (3) years to select the municipal adviser. The
 40 request for proposals must include a scope of services and an
 41 evaluation criteria outline.

42 (h) The municipal entity shall publish a contract entered into

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1 **with a municipal adviser in a prominent location on the municipal**
 2 **entity's website and on the department of local government**
 3 **finance's computer gateway.**

4 SECTION 10. IC 5-14-3.8-3, AS AMENDED BY P.L.1-2025,
 5 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 3. The department, ~~working with the office of~~
 7 ~~technology established by IC 4-13-1-2-1, or another organization that~~
 8 ~~is part of a state educational institution,~~ the office of management and
 9 budget established by IC 4-3-22-3, and the state board of accounts
 10 established by IC 5-11-1-1 shall post on the Indiana transparency
 11 website the following:

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

32 SECTION 11. IC 5-14-3.8-7, AS AMENDED BY P.L.137-2012,
 33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2026]: Sec. 7. The department may require that prescribed
 35 forms be submitted in an electronic format. The department ~~working~~
 36 ~~with the office of technology established by IC 4-13-1-2-1 or another~~
 37 ~~organization that is part of a state educational institution,~~ shall develop
 38 and maintain a secure, web based system that facilitates electronic
 39 submission of the forms under this section. Political subdivisions shall
 40 submit forms under this section through the web based system as
 41 prescribed by the department.

42 SECTION 12. IC 6-1.1-1-8.7 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.7. "Mobile home"
 2 has the meaning set forth in ~~IC 6-1.1-7-1~~. **IC 9-13-2-103.2. The term**
 3 **includes a manufactured home (as defined in IC 9-13-2-96(a)).**

4 SECTION 13. IC 6-1.1-2-11, AS ADDED BY P.L.68-2025,
 5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2025 (RETROACTIVE)]: Sec. 11. (a) As used in this section,
 7 "tax increment financing allocation area" means any area authorized by
 8 statute in which ad valorem property taxes are allocated, including the
 9 following:

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

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

38 SECTION 14. IC 6-1.1-3-17, AS AMENDED BY P.L.232-2017,
 39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 17. (a) On or before June
 41 1 of each year, each township assessor (if any) of a county shall deliver
 42 to the county assessor a list which states by taxing district the total of

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1 the personal property assessments as shown on the personal property
2 returns filed with the township assessor on or before the filing date of
3 that year and in a county with a township assessor under IC 36-6-5-1
4 in every township the township assessor shall deliver the lists to the
5 county auditor as prescribed in subsection (b).

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

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

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

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

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

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

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

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1 of agricultural land is determined.

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

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

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

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

18 shall be used to determine the final base rate.

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

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

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

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

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

38 (g) For assessment dates after December 31, 2009, an adjustment
39 in the assessed value of real property under this section shall be based
40 on the estimated true tax value of the property on the assessment date
41 that is the basis for taxes payable on that real property.

42 (h) The department shall release the department's annual

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determination of the base rate on or before March 1 of each year.

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

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

(b) The county assessor shall:

(1) maintain an electronic data file of:

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

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

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

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

(A) the legislative services agency; and

(B) the department of local government finance;

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

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

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

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

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

(3) before ~~September~~ **July 1** of each year, transmit the data in the file with respect to the assessment date of that year to the

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- 1 geographic information office of the office of technology.
 2 (d) An assessor under subsection (b) and an appropriate county
 3 officer under subsection (c) shall do the following:
 4 (1) Transmit the data in a manner that meets the data export and
 5 transmission requirements in a standard format, as prescribed by
 6 the office of technology established by IC 4-13.1-2-1 and
 7 approved by the legislative services agency.
 8 (2) Resubmit the data in the form and manner required under
 9 subsection (b) or (c) upon request of the legislative services
 10 agency, the department of local government finance, or the
 11 geographic information office of the office of technology, as
 12 applicable, if data previously submitted under subsection (b) or
 13 (c) does not comply with the requirements of subsection (b) or
 14 (c), as determined by the legislative services agency, the
 15 department of local government finance, or the geographic
 16 information office of the office of technology, as applicable.

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

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

- 26 (1) May 15 in each calendar year ending before January 1, 2017;
 27 and
 28 (2) May 1 in each calendar year ending after December 31,
 29 2016;

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

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

39 (c) **If the county assessor fails to certify to the county auditor**
 40 **and the department of local government finance a detailed list of**
 41 **the real property on or before July 1 in accordance with subsection**
 42 **(b), then the county assessor shall, on or before July 1 of the same**

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1 calendar year, provide electronic notice to the county auditor, the
2 county fiscal body, the department of local government finance,
3 and each political subdivision in the county subject to
4 IC 6-1.1-17-16. The electronic notice must include a written
5 statement acknowledging noncompliance and detail the reasons
6 why the statutory deadline set forth in subsection (b) was not met.

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

13 SECTION 18. IC 6-1.1-7-1, AS AMENDED BY P.L.23-2024,
14 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]: Sec. 1. (a) Except as provided in IC 6-1.1-10.5,
16 mobile homes which are located within this state on the assessment
17 date of a year shall be assessed and taxed for that year in the manner
18 provided in this chapter. If a provision of this chapter conflicts with
19 another provision of this article, the provision of this chapter controls
20 with respect to the assessment and taxation of mobile homes.

21 (b) For purposes of this chapter, "mobile home" means a dwelling
22 which:

- 23 (1) is factory assembled;
- 24 (2) is transportable;
- 25 (3) is intended for year around occupancy;
- 26 (4) exceeds thirty-five (35) feet in length; and
- 27 (5) is designed either for transportation on its own chassis or
28 placement on a temporary foundation. **has the meaning set
29 forth in IC 9-13-2-103.2. The term includes a manufactured
30 home (as defined in IC 9-13-2-96(a)).**

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

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

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

42 SECTION 20. IC 6-1.1-8-24.5, AS AMENDED BY P.L.230-2025,

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1 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 24.5. The department of
3 local government finance shall annually determine and release a solar
4 land base rate for the north region, the central region, and the south
5 region of the state as follows:

6 (1) For each region, the department shall determine the median
7 true tax value per acre of all land in the region classified under
8 the utility property class codes of the department of local
9 government finance for the immediately preceding assessment
10 date. ~~For purposes of these determinations, the department shall~~
11 ~~exclude any land classified under the department's utility~~
12 ~~property class codes that is assessed using the agricultural base~~
13 ~~rate for the immediately preceding assessment date.~~

14 (2) The department shall release the department's annual
15 determination of the solar land base rates on or before December
16 1 of each year.

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

20 **Chapter 10.2. Exemptions for Indiana Nonprofit Senior Living**
21 **Communities**

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

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

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

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

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

42 SECTION 22. IC 6-1.1-10.3-3, AS AMENDED BY P.L.68-2025,



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1 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2028]: Sec. 3. As used in this chapter, "exemption ordinance"
3 refers to an ordinance adopted under section 5 of this chapter by a local
4 income tax council (before July 1, ~~2027~~ **2028**) or by a county adopting
5 body specified in IC 6-3.6-3-1(a) (after June 30, ~~2027~~: **2028**).

6 SECTION 23. IC 6-1.1-10.5-1, AS ADDED BY P.L.23-2024,
7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]: Sec. 1. (a) This chapter applies to ~~mobile homes~~
9 ~~and~~ manufactured homes that are assessed under IC 6-1.1-7.

10 (b) This chapter does not apply to ~~mobile homes and~~ manufactured
11 homes that are assessed as:

- 12 (1) inventory; or
13 (2) real property;

14 under this article and in accordance with rules adopted by the
15 department of local government finance.

16 SECTION 24. IC 6-1.1-10.5-4, AS ADDED BY P.L.23-2024,
17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 UPON PASSAGE]: Sec. 4. As used in this chapter, "manufactured
19 home" has the meaning set forth in ~~IC 9-13-2-96~~. **IC 9-13-2-96(a). The**
20 **term includes a mobile home (as defined in IC 9-13-2-103.2).**

21 SECTION 25. IC 6-1.1-10.5-5, AS ADDED BY P.L.23-2024,
22 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 UPON PASSAGE]: Sec. 5. As used in this chapter, "mobile home" has
24 the meaning set forth in ~~IC 6-1.1-7-1(b)~~. **IC 9-13-2-103.2. The term**
25 **includes a manufactured home (as defined in IC 9-13-2-96(a)).**

26 SECTION 26. IC 6-1.1-12-13, AS AMENDED BY P.L.230-2025,
27 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 13. (a) Except as
29 provided in section 40.5 of this chapter, an individual may have
30 twenty-four thousand nine hundred sixty dollars (\$24,960) deducted
31 from the assessed value of the taxable tangible property that the
32 individual owns, or real property, a mobile home not assessed as real
33 property, or a manufactured home not assessed as real property that the
34 individual is buying under a contract that provides that the individual
35 is to pay property taxes on the real property, mobile home, or
36 manufactured home, if the contract or a memorandum of the contract
37 is recorded in the county recorder's office and if:

- 38 (1) the individual served in the military or naval forces of the
39 United States during any of its wars;
40 (2) the individual received an honorable discharge;
41 (3) the individual has a disability with a service connected
42 disability of ten percent (10%) or more;

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- 1 (4) the individual's disability is evidenced by:
 2 (A) a pension certificate, an award of compensation, or a
 3 disability compensation check issued by the United States
 4 Department of Veterans Affairs; or
 5 (B) a certificate of eligibility issued to the individual by the
 6 Indiana department of veterans' affairs after the Indiana
 7 department of veterans' affairs has determined that the
 8 individual's disability qualifies the individual to receive a
 9 deduction under this section; and
 10 (5) the individual:
 11 (A) owns the real property, mobile home, or manufactured
 12 home; or
 13 (B) is buying the real property, mobile home, or
 14 manufactured home under contract;
 15 on the date the statement required by section 15 of this chapter
 16 is filed.
 17 (b) The surviving spouse of an individual may receive the
 18 deduction provided by this section if the individual satisfied the
 19 requirements of subsection (a)(1) through (a)(4) at the time of death
 20 and the surviving spouse satisfies the requirement of subsection (a)(5)
 21 at the time the deduction statement is filed. The surviving spouse is
 22 entitled to the deduction regardless of whether the property for which
 23 the deduction is claimed was owned by the deceased veteran or the
 24 surviving spouse before the deceased veteran's death.
 25 (c) One who receives the deduction provided by this section may
 26 not receive the deduction provided by section 16 of this chapter.
 27 However, the individual may receive any other property tax deduction
 28 which the individual is entitled to by law.
 29 (d) An individual who has sold real property, a mobile home not
 30 assessed as real property, or a manufactured home not assessed as real
 31 property to another person under a contract that provides that the
 32 contract buyer is to pay the property taxes on the real property, mobile
 33 home, or manufactured home may not claim the deduction provided
 34 under this section against that real property, mobile home, or
 35 manufactured home.
 36 **(e) This section applies only to property taxes imposed for an**
 37 **assessment date before January 1, 2026.**
 38 **(f) This section expires January 1, 2028.**
 39 SECTION 27. IC 6-1.1-12-14, AS AMENDED BY P.L.230-2025,
 40 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 14. (a) ~~Except as~~
 42 ~~provided in subsection (c) and~~ Except as provided in section 40.5 of

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1 this chapter, an individual may have ~~the sum of fourteen thousand~~
 2 ~~dollars (\$14,000)~~ **one hundred percent (100%) of the assessed value**
 3 deducted from the assessed value of the real property, mobile home not
 4 assessed as real property, or manufactured home not assessed as real
 5 property that the individual owns (or the real property, mobile home
 6 not assessed as real property, or manufactured home not assessed as
 7 real property that the individual is buying under a contract that
 8 provides that the individual is to pay property taxes on the real
 9 property, mobile home, or manufactured home if the contract or a
 10 memorandum of the contract is recorded in the county recorder's office)
 11 **and uses as the individual's principal place of residence if:**

12 (1) the individual served in the military or naval forces of the
 13 United States for at least ninety (90) days;

14 (2) the individual received an honorable discharge;

15 (3) the individual **either:**

16 ~~(A)~~ has a total disability; ~~or~~

17 ~~(B)~~ is at least ~~sixty-two (62)~~ years old and has a disability of
 18 at least ~~ten percent (10%)~~;

19 (4) the individual's disability is evidenced by:

20 (A) a pension certificate or an award of compensation
 21 issued by the United States Department of Veterans Affairs;
 22 or

23 (B) a certificate of eligibility issued to the individual by the
 24 Indiana department of veterans' affairs after the Indiana
 25 department of veterans' affairs has determined that the
 26 individual's disability qualifies the individual to receive a
 27 deduction under this section; ~~and~~

28 (5) the individual:

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

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

33 on the date the statement required by section 15 of this chapter
 34 is filed; **and**

35 **(6) the individual has resided in Indiana for at least one (1)**
 36 **year before the assessment date for which the deduction**
 37 **under this section is claimed.**

38 (b) ~~Except as provided in subsections (c) and (d);~~ The surviving
 39 spouse of an individual may receive the deduction provided by this
 40 section if

41 ~~(1)~~ the individual satisfied the requirements of subsection (a)(1)
 42 through (a)(4) at the time of death ~~or~~

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1 (2) the individual:

2 (A) was killed in action;

3 (B) died while serving on active duty in the military or
4 naval forces of the United States; or

5 (C) died while performing inactive duty training in the
6 military or naval forces of the United States; and

7 the surviving spouse satisfies the requirement of subsection (a)(5) at
8 the time the deduction statement is filed. The surviving spouse is
9 entitled to the deduction regardless of whether the property for which
10 the deduction is claimed was owned by the deceased veteran or the
11 surviving spouse before the deceased veteran's death. **However, a
12 surviving spouse is no longer eligible for the deduction under this
13 section if the surviving spouse subsequently remarries.**

14 (c) Except as provided in subsection (f), no one is entitled to the
15 deduction provided by this section if the assessed value of the
16 individual's Indiana real property, Indiana mobile home not assessed as
17 real property, and Indiana manufactured home not assessed as real
18 property, as shown by the tax duplicate, exceeds the assessed value
19 limit specified in subsection (d):

20 (d) Except as provided in subsection (f), for the:

21 (1) January 1, 2017; January 1, 2018; and January 1, 2019;
22 assessment dates, the assessed value limit for purposes of
23 subsection (c) is one hundred seventy-five thousand dollars
24 (\$175,000);

25 (2) January 1, 2020; January 1, 2021; January 1, 2022; and
26 January 1, 2023; assessment dates, the assessed value limit for
27 purposes of subsection (c) is two hundred thousand dollars
28 (\$200,000); and

29 (3) January 1, 2024; assessment date and for each assessment
30 date thereafter, the assessed value limit for purposes of
31 subsection (c) is two hundred forty thousand dollars (\$240,000).

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

39 (f) For purposes of determining the assessed value of the real
40 property, mobile home, or manufactured home under subsection (d) for
41 an individual who has received a deduction under this section in a
42 previous year, increases in assessed value that occur after the later of:

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- 1 (1) December 31, 2019; or
- 2 (2) the first year that the individual has received the deduction;
- 3 are not considered unless the increase in assessed value is attributable
- 4 to substantial renovation or new improvements. Where there is an
- 5 increase in assessed value for purposes of the deduction under this
- 6 section, the assessor shall provide a report to the county auditor
- 7 describing the substantial renovation or new improvements, if any, that
- 8 were made to the property prior to the increase in assessed value.

9 SECTION 28. IC 6-1.1-12-14.5, AS AMENDED BY
 10 P.L.230-2025, SECTION 33, IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:
 12 Sec. 14.5. (a) As used in this section, "homestead" has the meaning set
 13 forth in section 37 of this chapter.

14 (b) An individual may claim a deduction from the assessed value
 15 of the individual's homestead if:

- 16 (1) the individual served in the military or naval forces of the
- 17 United States for at least ninety (90) days;
- 18 (2) the individual received an honorable discharge;
- 19 (3) the individual has a disability of at least fifty percent (50%);
- 20 (4) the individual's disability is evidenced by:
 - 21 (A) a pension certificate or an award of compensation
 - 22 issued by the United States Department of Veterans Affairs;
 - 23 or
 - 24 (B) a certificate of eligibility issued to the individual by the
 - 25 Indiana department of veterans' affairs after the Indiana
 - 26 department of veterans' affairs has determined that the
 - 27 individual's disability qualifies the individual to receive a
 - 28 deduction under this section; and
- 29 (5) the homestead was conveyed without charge to the individual
- 30 who is the owner of the homestead by an organization that is
- 31 exempt from income taxation under the federal Internal Revenue
- 32 Code.

33 (c) If an individual is entitled to a deduction from assessed value
 34 under subsection (b) for the individual's homestead, the amount of the
 35 deduction is determined as follows:

- 36 (1) If the individual is totally disabled, the deduction is equal to
- 37 one hundred percent (100%) of the assessed value of the
- 38 homestead.
- 39 (2) If the individual has a disability of at least ninety percent
- 40 (90%) but the individual is not totally disabled, the deduction is
- 41 equal to ninety percent (90%) of the assessed value of the
- 42 homestead.

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1 (3) If the individual has a disability of at least eighty percent
2 (80%) but less than ninety percent (90%), the deduction is equal
3 to eighty percent (80%) of the assessed value of the homestead.

4 (4) If the individual has a disability of at least seventy percent
5 (70%) but less than eighty percent (80%), the deduction is equal
6 to seventy percent (70%) of the assessed value of the homestead.

7 (5) If the individual has a disability of at least sixty percent
8 (60%) but less than seventy percent (70%), the deduction is
9 equal to sixty percent (60%) of the assessed value of the
10 homestead.

11 (6) If the individual has a disability of at least fifty percent (50%)
12 but less than sixty percent (60%), the deduction is equal to fifty
13 percent (50%) of the assessed value of the homestead.

14 (d) An individual who claims a deduction under this section for an
15 assessment date may not also claim a deduction under section 13
16 **(before its expiration)** or 14 of this chapter for that same assessment
17 date.

18 (e) An individual who desires to claim the deduction under this
19 section must claim the deduction in the manner specified by the
20 department of local government finance.

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

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

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

42 ~~(2) (1) a pension certificate or an award of compensation issued~~

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

4 ~~(3)~~ **(2)** the appropriate certificate of eligibility issued to the
 5 individual by the Indiana department of veterans' affairs if the
 6 individual claims the deduction provided by section ~~13~~ or 14 of
 7 this chapter.

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

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

23 SECTION 30. IC 6-1.1-12-16, AS AMENDED BY P.L.68-2025,
 24 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 16. (a) Except as
 26 provided in section 40.5 of this chapter, a surviving spouse may have
 27 the sum of eighteen thousand seven hundred twenty dollars (\$18,720)
 28 deducted from the assessed value of the surviving spouse's tangible
 29 property, or real property, mobile home not assessed as real property,
 30 or manufactured home not assessed as real property that the surviving
 31 spouse is buying under a contract that provides that the surviving
 32 spouse is to pay property taxes on the real property, mobile home, or
 33 manufactured home, if the contract or a memorandum of the contract
 34 is recorded in the county recorder's office, and if:

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

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

38 (3) the surviving spouse:

39 (A) owns the real property, mobile home, or manufactured
 40 home; or

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

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1 on the date the statement required by section 17 of this chapter
2 is filed.

3 (b) A surviving spouse who receives the deduction provided by
4 this section may not receive the deduction provided by section 13
5 **(before its expiration)** of this chapter. However, the surviving spouse
6 may receive any other deduction which the surviving spouse is entitled
7 to by law.

8 (c) An individual who has sold real property, a mobile home not
9 assessed as real property, or a manufactured home not assessed as real
10 property to another person under a contract that provides that the
11 contract buyer is to pay the property taxes on the real property, mobile
12 home, or manufactured home may not claim the deduction provided
13 under this section against that real property, mobile home, or
14 manufactured home.

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

17 ~~(e) This section expires January 1, 2027.~~

18 SECTION 31. IC 6-1.1-12-17, AS AMENDED BY P.L.68-2025,
19 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17. ~~(a)~~ Except as
21 provided in section 17.8 of this chapter and subject to section 45 of this
22 chapter, a surviving spouse who desires to claim the deduction
23 provided by section 16 of this chapter must file a statement with the
24 auditor of the county in which the surviving spouse resides. To obtain
25 the deduction for a desired calendar year in which property taxes are
26 first due and payable, the statement must be completed, dated, and filed
27 with the county auditor on or before January 15 of the calendar year in
28 which the property taxes are first due and payable. The statement may
29 be filed in person or by mail. If mailed, the mailing must be postmarked
30 on or before the last day for filing. The statement shall contain:

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

33 (2) the record number and page where the contract or
34 memorandum of the contract is recorded, if the individual is
35 buying the real property on a contract that provides that the
36 individual is to pay property taxes on the real property.

37 In addition to the statement, the surviving spouse shall submit to the
38 county auditor for the auditor's inspection a letter or certificate from the
39 United States Department of Veterans Affairs establishing the service
40 of the deceased spouse in the military or naval forces of the United
41 States before November 12, 1918.

42 ~~(b) This section applies only to property taxes imposed for an~~

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1 assessment date before January 1, 2025:

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

3 SECTION 32. IC 6-1.1-12-17.8, AS AMENDED BY THE
4 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
5 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.8. (a) An individual
7 who receives a deduction provided under section 9 (before its
8 expiration), 11 (before its expiration), 13 (**before its expiration**), 14,
9 16, (~~before its expiration~~), 17.4 (before its expiration), or 37 of this
10 chapter in a particular year and who remains eligible for the deduction
11 in the following year is not required to file a statement to apply for the
12 deduction in the following year. However, for purposes of a deduction
13 under section 37 of this chapter, the county auditor may, in the county
14 auditor's discretion, terminate the deduction for assessment dates after
15 January 15, 2012, if the individual does not comply with the
16 requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as
17 determined by the county auditor, before January 1, 2013. Before the
18 county auditor terminates the deduction because the taxpayer claiming
19 the deduction did not comply with the requirement in
20 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013,
21 the county auditor shall mail notice of the proposed termination of the
22 deduction to:

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

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

28 (b) An individual who receives a deduction provided under section
29 9 (before its expiration), 11 (before its expiration), 13 (**before its**
30 **expiration**), 14, 16, (~~before its expiration~~), or 17.4 (before its
31 expiration) of this chapter in a particular year and who becomes
32 ineligible for the deduction in the following year shall notify the auditor
33 of the county in which the real property, mobile home, or manufactured
34 home for which the individual claims the deduction is located of the
35 individual's ineligibility in the year in which the individual becomes
36 ineligible. An individual who becomes ineligible for a deduction under
37 section 37 of this chapter shall notify the county auditor of the county
38 in which the property is located in conformity with section 37 of this
39 chapter.

40 (c) The auditor of each county shall, in a particular year, apply a
41 deduction provided under section 9 (before its expiration), 11 (before
42 its expiration), 13 (**before its expiration**), 14, 16, (~~before its~~

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1 ~~expiration~~); 17.4 (before its expiration), or 37 of this chapter to each
 2 individual who received the deduction in the preceding year unless the
 3 auditor determines that the individual is no longer eligible for the
 4 deduction.

5 (d) An individual who receives a deduction provided under section
 6 9 (before its expiration), 11 (before its expiration), 13 (**before its**
 7 **expiration**), 14, 16, (~~before its expiration~~); 17.4 (before its expiration),
 8 or 37 of this chapter for property that is jointly held with another owner
 9 in a particular year and remains eligible for the deduction in the
 10 following year is not required to file a statement to reapply for the
 11 deduction following the removal of the joint owner if:

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

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

16 If a county auditor terminates a deduction under section 9 of this
 17 chapter (before its expiration), a deduction under section 37 of this
 18 chapter, or a credit under IC 6-1.1-20.6-8.5 after June 30, 2017, and
 19 before May 1, 2019, because the taxpayer claiming the deduction or
 20 credit did not comply with a requirement added to this subsection by
 21 P.L.255-2017 to reapply for the deduction or credit, the county auditor
 22 shall reinstate the deduction or credit if the taxpayer provides proof that
 23 the taxpayer is eligible for the deduction or credit and is not claiming
 24 the deduction or credit for any other property.

25 (e) A trust entitled to a deduction under section 9 (before its
 26 expiration), 11 (before its expiration), 13 (**before its expiration**), 14,
 27 16, (~~before its expiration~~); 17.4 (before its expiration), or 37 of this
 28 chapter for real property owned by the trust and occupied by an
 29 individual in accordance with section 17.9 of this chapter (~~before its~~
 30 ~~expiration~~) is not required to file a statement to apply for the deduction,
 31 if:

32 (1) the individual who occupies the real property receives a
 33 deduction provided under section 9 (before its expiration), 11
 34 (before its expiration), 13 (**before its expiration**), 14, 16,
 35 (~~before its expiration~~); 17.4 (before its expiration), or 37 of this
 36 chapter in a particular year; and

37 (2) the trust remains eligible for the deduction in the following
 38 year.

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

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1 (f) A cooperative housing corporation (as defined in 26 U.S.C.
 2 216) that is entitled to a deduction under section 37 of this chapter in
 3 the immediately preceding calendar year for a homestead (as defined
 4 in section 37 of this chapter) is not required to file a statement to apply
 5 for the deduction for the current calendar year if the cooperative
 6 housing corporation remains eligible for the deduction for the current
 7 calendar year. However, the county auditor may, in the county auditor's
 8 discretion, terminate the deduction for assessment dates after January
 9 15, 2012, if the individual does not comply with the requirement in
 10 IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the
 11 county auditor, before January 1, 2013. Before the county auditor
 12 terminates a deduction because the taxpayer claiming the deduction did
 13 not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired
 14 January 1, 2015) before January 1, 2013, the county auditor shall mail
 15 notice of the proposed termination of the deduction to:

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

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

21 (g) An individual who:

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

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

29 is not required to file a statement to apply for a deduction under section
 30 37 of this chapter if the individual remains eligible for the deduction in
 31 the current year. An individual who filed for a homestead credit under
 32 IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if
 33 the property is real property), or after January 1, 2008 (if the property
 34 is personal property), shall be treated as an individual who has filed for
 35 a deduction under section 37 of this chapter. However, the county
 36 auditor may, in the county auditor's discretion, terminate the deduction
 37 for assessment dates after January 15, 2012, if the individual does not
 38 comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January
 39 1, 2015), as determined by the county auditor, before January 1, 2013.
 40 Before the county auditor terminates the deduction because the
 41 taxpayer claiming the deduction did not comply with the requirement
 42 in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1,

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1 2013, the county auditor shall mail notice of the proposed termination
2 of the deduction to the last known address of each person liable for any
3 property taxes or special assessment, as shown on the tax duplicate or
4 special assessment records, or to the last known address of the most
5 recent owner shown in the transfer book.

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

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

16 **(j) A surviving spouse who received the deduction provided by**
17 **section 16 of this chapter for the January 1, 2024, assessment date**
18 **is not required to file a statement to reapply for the deduction to**
19 **receive the deduction for the January 1, 2025, assessment date. The**
20 **county auditor shall apply the deduction provided by section 16 of**
21 **this chapter for the surviving spouse for the January 1, 2025,**
22 **assessment date on the surviving spouse's property tax statement**
23 **for property taxes first due and payable in 2026.**

24 SECTION 33. IC 6-1.1-12-17.9, AS AMENDED BY
25 P.L.230-2025, SECTION 36, IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:
27 Sec. 17.9. A trust is entitled to a deduction under section 9 (before its
28 expiration), 11 (before its expiration), 13 **(before its expiration)**, ~~14,~~
29 ~~16, (before its expiration)~~; or 17.4 (before its expiration) of this chapter
30 for real property owned by the trust and occupied by an individual if
31 the county auditor determines that the individual:

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

- 34 (A) a beneficial interest in the trust; or
- 35 (B) the right to occupy the real property rent free under the
- 36 terms of a qualified personal residence trust created by the
- 37 individual under United States Treasury Regulation
- 38 25.2702-5(c)(2); and

39 (2) otherwise qualifies for the deduction.

40 SECTION 34. IC 6-1.1-12-37, AS AMENDED BY THE
41 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
42 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 37. (a) The following definitions apply throughout
2 this section:

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

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

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

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

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

16 (A) that is located in Indiana;

17 (B) that:

18 (i) the individual owns;

19 (ii) the individual is buying under a contract recorded
20 in the county recorder's office, or evidenced by a
21 memorandum of contract recorded in the county
22 recorder's office under IC 36-2-11-20, that provides
23 that the individual is to pay the property taxes on the
24 residence, and that obligates the owner to convey title
25 to the individual upon completion of all of the
26 individual's contract obligations;

27 (iii) the individual is entitled to occupy as a
28 tenant-stockholder (as defined in 26 U.S.C. 216) of a
29 cooperative housing corporation (as defined in 26
30 U.S.C. 216); or

31 (iv) is a residence described in section 17.9 of this
32 chapter ~~(before its expiration)~~ that is owned by a trust
33 if the individual is an individual described in section
34 17.9 of this chapter; ~~(before its expiration)~~; and

35 (C) that consists of a dwelling and includes up to one (1)
36 acre of land immediately surrounding that dwelling, and any
37 of the following improvements:

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

39 (ii) One (1) additional building that is not part of the
40 dwelling if the building is predominantly used for a
41 residential purpose and is not used as an investment
42 property or as a rental property.

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

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

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

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

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

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

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

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

39 Beginning with the 2030 assessment date, and each assessment date
40 thereafter, the deduction amount under this section is zero (0).
41 Application of the phase down under this section for assessment dates
42 after December 31, 2024, with regard to mobile homes that are not

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1 assessed as real property and manufactured homes not assessed as real
 2 property shall be construed and applied in the same manner in terms of
 3 timing and consistent with its application for real property.

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

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

17 (1) the parcel number or key number of the property and the
 18 name of the city, town, or township in which the property is
 19 located;

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

23 (3) the names of:

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

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

29 (ii) that they use as their legal names when they sign
 30 their names on legal documents;

31 if the applicant is an individual; or

32 (B) each individual who qualifies property as a homestead
 33 under subsection (a)(2)(B) and the individual's spouse (if
 34 any):

35 (i) as the names appear in the records of the United
 36 States Social Security Administration for the purposes
 37 of the issuance of a Social Security card and Social
 38 Security number; or

39 (ii) that they use as their legal names when they sign
 40 their names on legal documents;

41 if the applicant is not an individual; and

42 (4) either:

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- 1 (A) the last five (5) digits of the applicant's Social Security
- 2 number and the last five (5) digits of the Social Security
- 3 number of the applicant's spouse (if any); or
- 4 (B) if the applicant or the applicant's spouse (if any) does
- 5 not have a Social Security number, any of the following for
- 6 that individual:
 - 7 (i) The last five (5) digits of the individual's driver's
 - 8 license number.
 - 9 (ii) The last five (5) digits of the individual's state
 - 10 identification card number.
 - 11 (iii) The last five (5) digits of a preparer tax
 - 12 identification number that is obtained by the individual
 - 13 through the Internal Revenue Service of the United
 - 14 States.
 - 15 (iv) If the individual does not have a driver's license, a
 - 16 state identification card, or an Internal Revenue
 - 17 Service preparer tax identification number, the last five
 - 18 (5) digits of a control number that is on a document
 - 19 issued to the individual by the United States
 - 20 government.

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

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

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

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

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

42 (1) changes the use of the individual's property so that part or all

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- 1 of the property no longer qualifies for the deduction under this
 2 section; or
 3 (2) is not eligible for a deduction under this section because the
 4 person is already receiving:
 5 (A) a deduction under this section in the person's name as
 6 an individual or a spouse; or
 7 (B) a deduction under the law of another state that is
 8 equivalent to the deduction provided by this section;
 9 the person must file a certified statement with the auditor of the county,
 10 notifying the auditor of the person's ineligibility, not more than sixty
 11 (60) days after the date of the change in eligibility. A person who fails
 12 to file the statement required by this subsection may, under
 13 IC 6-1.1-36-17, be liable for any additional taxes that would have been
 14 due on the property if the person had filed the statement as required by
 15 this subsection plus a civil penalty equal to ten percent (10%) of the
 16 additional taxes due. The civil penalty imposed under this subsection
 17 is in addition to any interest and penalties for a delinquent payment that
 18 might otherwise be due. One percent (1%) of the total civil penalty
 19 collected under this subsection shall be transferred by the county to the
 20 department of local government finance for use by the department in
 21 establishing and maintaining the homestead property data base under
 22 subsection (j) and, to the extent there is money remaining, for any other
 23 purposes of the department. This amount becomes part of the property
 24 tax liability for purposes of this article.
 25 (h) The department of local government finance may adopt rules
 26 or guidelines concerning the application for a deduction under this
 27 section.
 28 (i) This subsection does not apply to property in the first year for
 29 which a deduction is claimed under this section if the sole reason that
 30 a deduction is claimed on other property is that the individual or
 31 married couple maintained a principal residence at the other property
 32 on the assessment date in the same year in which an application for a
 33 deduction is filed under this section or, if the application is for a
 34 homestead that is assessed as personal property, on the assessment date
 35 in the immediately preceding year and the individual or married couple
 36 is moving the individual's or married couple's principal residence to the
 37 property that is the subject of the application. Except as provided in
 38 subsection (l), the county auditor may not grant an individual or a
 39 married couple a deduction under this section if:
 40 (1) the individual or married couple, for the same year, claims
 41 the deduction on two (2) or more different applications for the
 42 deduction; and

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

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

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

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

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

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

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

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1 residence.

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

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

14 (m) If:

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

18 (2) the county auditor receiving the filed statement determines
19 that the property owner's property is not eligible for the
20 deduction;

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

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

32 (1) either:

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

37 (B) the individual contracts to purchase the homestead after
38 the assessment date, but within the calendar year in which
39 the assessment date occurs;

40 (2) on the assessment date:

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

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- 1 (B) the construction of the dwelling that constitutes the
- 2 homestead was not completed; and
- 3 (3) either:
- 4 (A) the individual files the certified statement required by
- 5 subsection (e); or
- 6 (B) a sales disclosure form that meets the requirements of
- 7 section 44 of this chapter is submitted to the county assessor
- 8 on or before December 31 of the calendar year for the
- 9 individual's purchase of the homestead.

10 An individual who satisfies the requirements of subdivisions (1)

11 through (3) is entitled to the deduction under this section for the

12 homestead for the assessment date, even if on the assessment date the

13 property on which the homestead is currently located was vacant land

14 or the construction of the dwelling that constitutes the homestead was

15 not completed. The county auditor shall apply the deduction for the

16 assessment date and for the assessment date in any later year in which

17 the homestead remains eligible for the deduction. A homestead that

18 qualifies for the deduction under this section as provided in this

19 subsection is considered a homestead for purposes of section 37.5 of

20 this chapter and IC 6-1.1-20.6.

21 (o) This subsection applies to an application for the deduction

22 provided by this section that is filed for an assessment date occurring

23 after December 31, 2013. Notwithstanding any other provision of this

24 section, an individual buying a mobile home that is not assessed as real

25 property or a manufactured home that is not assessed as real property

26 under a contract providing that the individual is to pay the property

27 taxes on the mobile home or manufactured home is not entitled to the

28 deduction provided by this section unless the parties to the contract

29 comply with IC 9-17-6-17.

- 30 (p) This subsection:
- 31 (1) applies to an application for the deduction provided by this
- 32 section that is filed for an assessment date occurring after
- 33 December 31, 2013; and
- 34 (2) does not apply to an individual described in subsection (o).

35 The owner of a mobile home that is not assessed as real property or a

36 manufactured home that is not assessed as real property must attach a

37 copy of the owner's title to the mobile home or manufactured home to

38 the application for the deduction provided by this section.

- 39 (q) For assessment dates after 2013, the term "homestead"
- 40 includes property that is owned by an individual who:
- 41 (1) is serving on active duty in any branch of the armed forces of
- 42 the United States;

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

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

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

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

- 31 (A) Any number of decks, patios, gazebos, or pools.
 32 (B) One (1) additional building that is not part of the
 33 dwelling if the building is predominately used for a
 34 residential purpose and is not used as an investment
 35 property or as a rental property.
 36 (C) One (1) additional residential yard structure other than
 37 a deck, patio, gazebo, or pool.

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

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

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

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1 partner, or member of the entity that owns the property.

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

4 SECTION 35. IC 6-1.1-12-43, AS AMENDED BY P.L.230-2025,
5 SECTION 37, AND AS AMENDED BY P.L.186-2025, SECTION
6 292, AND AS AMENDED BY THE TECHNICAL CORRECTIONS
7 BILL OF THE 2026 GENERAL ASSEMBLY, IS CORRECTED AND
8 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
9 2025 (RETROACTIVE)]: Sec. 43. (a) For purposes of this section:

10 (1) "benefit" refers to a deduction under section 9 (before its
11 expiration), 11 (before its expiration), 13, ~~(before its expiration);~~
12 14, ~~(before its expiration);~~ 16, ~~(before its expiration);~~ 17.4
13 (before its expiration), 26 (before its expiration), 29 (before its
14 expiration), 33 (before its expiration), 34 (before its expiration),
15 37, or 37.5 of this chapter;

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

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

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

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

21 (B) refinancing transaction.

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

25 (c) ~~Before June 1, 2004,~~ The department of local government
26 finance shall prescribe the form to be provided by closing agents to
27 customers under subsection (b). The department shall make the form
28 available to closing agents, county assessors, county auditors, and
29 county treasurers in hard copy and electronic form. County assessors,
30 county auditors, and county treasurers shall make the form available to
31 the general public. The form must:

32 (1) on one (1) side:

33 (A) list each benefit; and

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

35 (2) on the other side indicate:

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

38 (B) sufficient instructions and information to permit a party
39 to terminate a standard deduction under section 37 of this
40 chapter on any property on which the party or the spouse of
41 the party will no longer be eligible for the standard
42 deduction under section 37 of this chapter after the party or

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

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

10 (d) A closing agent:

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

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

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

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

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

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

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

41 *(2) shall be paid into:*

42 *(A) the state general fund, if the closing agent fails to*

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1 *comply with subsection (b); or*
 2 *(B) the home ownership education account established by*
 3 *IC 5-20-1-27, if the closing agent fails to comply with*
 4 *subsection (e) in a transaction that is closed after*
 5 *December 31, 2009.*

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

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

10 *(2) with respect to a transaction that is closed after December*
 11 *31, 2009, the closing agent's failure to input the information or*
 12 *submit the form described in subsection (e).*

13 *(i) The state agency that has administrative jurisdiction over a*
 14 *closing agent shall:*

15 *(1) examine the closing agent to determine compliance with this*
 16 *section; and*

17 *(2) impose and collect penalties under subsection (g).*

18 SECTION 36. IC 6-1.1-12-46, AS AMENDED BY P.L.230-2025,
 19 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 46. (a) This section
 21 applies to real property for an assessment date in 2011 or a later year
 22 if:

23 (1) the real property is not exempt from property taxation for the
 24 assessment date;

25 (2) title to the real property is transferred after the assessment
 26 date and on or before the December 31 that next succeeds the
 27 assessment date;

28 (3) the transferee of the real property applies for an exemption
 29 under IC 6-1.1-11 for the next succeeding assessment date; and

30 (4) the county property tax assessment board of appeals
 31 determines that the real property is exempt from property
 32 taxation for that next succeeding assessment date.

33 (b) For the assessment date referred to in subsection (a)(1), real
 34 property is eligible for any deductions for which the transferor under
 35 subsection (a)(2) was eligible for that assessment date under the
 36 following:

37 (1) IC 6-1.1-12-1 (before its repeal).

38 (2) IC 6-1.1-12-9 (before its expiration).

39 (3) IC 6-1.1-12-11 (before its expiration).

40 (4) IC 6-1.1-12-13 **(before its expiration).**

41 (5) IC 6-1.1-12-14.

42 (6) IC 6-1.1-12-16. **(before its expiration):**

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

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

11 SECTION 37. IC 6-1.1-12.6-2, AS ADDED BY P.L.70-2008,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 2. (a) This section
 14 applies only to a model residence that is first assessed as:

- 15 (1) a partially completed structure; or
 16 (2) a fully completed structure;

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

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

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

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

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

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

41 SECTION 38. IC 6-1.1-12.6-4, AS ADDED BY P.L.70-2008,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2026 (RETROACTIVE)]; Sec. 4. (a) Subject to section
 2 8 of this chapter, a property owner is entitled to a deduction under this
 3 chapter for an assessment date for not more than ~~three (3)~~ **seven (7)**
 4 model residences in Indiana.

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

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

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

22 SECTION 40. IC 6-1.1-12.8-3, AS ADDED BY P.L.175-2011,
 23 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2026 (RETROACTIVE)]; Sec. 3. (a) This chapter
 25 applies only to a residence in inventory that is first assessed as:

26 (1) a partially completed structure; or

27 (2) a fully completed structure;

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

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

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

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

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

42 (c) A deduction allowed for a residence in inventory under this

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1 chapter for a particular assessment date is terminated if title to the
2 residence in inventory is transferred:

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

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

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

16 SECTION 41. IC 6-1.1-12.8-4, AS AMENDED BY P.L.136-2024,
17 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. (a) A property owner
19 that qualifies for the deduction under this chapter and that desires to
20 receive the deduction for a calendar year must complete and date a
21 statement containing the information required by subsection (b) and
22 file the statement with the county auditor on or before January 15 of the
23 immediately succeeding calendar year. The township assessor, or the
24 county assessor if there is no township assessor for the township, shall
25 verify each statement filed under this section, and the county auditor
26 shall:

- 27 (1) make the deductions; and
- 28 (2) notify the county property tax assessment board of appeals of
- 29 all deductions approved;
- 30 under this section.

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

- 33 (1) The assessed value of the real property for which the person
- 34 is claiming the deduction.
- 35 (2) The full name and complete business address of the person
- 36 claiming the deduction.
- 37 (3) The complete address and a brief description of the real
- 38 property for which the person is claiming the deduction.
- 39 (4) The name of any other county in which the person has
- 40 applied for a deduction under this chapter for that assessment
- 41 date.
- 42 (5) The complete address and a brief description of any other

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1 real property for which the person has applied for a deduction
2 under this chapter for that assessment date.

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

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

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

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

11 SECTION 42. IC 6-1.1-12.8-9, AS ADDED BY P.L.175-2011,
12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9. (a) Subject to section
14 10 of this chapter, a property owner is entitled to a deduction under this
15 chapter for an assessment date for not more than ~~three (3)~~ **seven (7)**
16 residences in inventory in Indiana.

17 (b) The auditor of a county (referred to in this section as the "first
18 county") with whom a statement is filed under section 4 of this chapter
19 shall immediately prepare and transmit a copy of the statement to the
20 auditor of any other county (referred to in this section as the "second
21 county") if the property owner that claims the deduction owns or is
22 buying a residence in inventory located in the second county.

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

28 SECTION 43. IC 6-1.1-12.8-10, AS ADDED BY P.L.175-2011,
29 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 10. The aggregate
31 number of deductions claimed under this chapter for a particular
32 assessment date by the owners of residences in inventory who are a part
33 of an affiliated group may not exceed ~~three (3)~~ **seven (7)**.

34 SECTION 44. IC 6-1.1-17-1, AS AMENDED BY P.L.230-2025,
35 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 1. (a) On or before
37 August 1 of each year, the county auditor shall submit a certified
38 statement of the assessed value for the ensuing year to the department
39 of local government finance in the manner prescribed by the
40 department.

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

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

11 (1) September 1;

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

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

18 (d) Before the county auditor makes an amendment under
 19 subsection (c), the county auditor must provide an opportunity for
 20 public comment on the proposed amendment at a public hearing. The
 21 county auditor must give notice of the hearing under IC 5-3-1: **written**
 22 **notice of the amendment to the county fiscal body, the department**
 23 **of local government finance, and the fiscal officers of the affected**
 24 **taxing units within the county.** If the county auditor makes the
 25 amendment as a result of information provided to the county auditor by
 26 an assessor, the county auditor shall **also** give notice of the **public**
 27 **hearing amendment** to the assessor.

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

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

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

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

41 The county auditor may appeal to the department of local government
 42 finance to include the amount of assessed value under appeal within a

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1 taxing district for that calendar year:

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

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

18 SECTION 45. IC 6-1.1-17-5.4, AS AMENDED BY P.L.230-2025,
19 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2026]: Sec. 5.4. (a) Not later than March 2 of each year, the
21 fiscal officer of a political subdivision shall submit a statement to the
22 department of local government finance attesting that the political
23 subdivision uploaded any contract entered into during the immediately
24 preceding year:

- 25 (1) if the total cost of the contract to the political subdivision
- 26 exceeds fifty thousand dollars (\$50,000) during the term of
- 27 the contract as required by IC 5-14-3.8-3.5(c); and
- 28 (2) related to the provision of fire services or emergency medical
- 29 services to the Indiana transparency website as required by
- 30 IC 5-14-3.8-3.5(d).

31 (b) The department of local government finance may not approve
32 the budget of a political subdivision or a supplemental appropriation
33 for a political subdivision until the political subdivision files the
34 attestation under subsection (a).

35 SECTION 46. IC 6-1.1-18-28, AS AMENDED BY P.L.236-2023,
36 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 UPON PASSAGE]: Sec. 28. (a) **This section applies to a township if:**

- 38 (1) the township has previously submitted a petition, or
- 39 petitions, under this section in any year after December 31,
- 40 2016;
- 41 (2) the sum of all adjustments determined under STEP
- 42 THREE of subsection (c) for the petition or petitions

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1 described in subdivision (1) equals fifteen-hundredths (0.15);
2 and
3 (3) the percentage growth in the township's assessed value
4 for the preceding year compared to the year immediately
5 before the preceding year is:

6 (A) at least equal to the maximum levy growth quotient
7 determined under IC 6-1.1-18.5-2 for the preceding year
8 multiplied by two (2); and

9 (B) not more than maximum levy growth quotient
10 determined under IC 6-1.1-18.5-2 for the preceding year
11 multiplied by four (4).

12 (b) The executive of a township may, upon approval by the
13 township fiscal body, submit a petition to the department of local
14 government finance for an increase in the township's maximum
15 permissible ad valorem property tax levy for its township firefighting
16 and emergency services fund under IC 36-8-13-4(a)(1) or the levies for
17 the township firefighting fund and township emergency services fund
18 described in IC 36-8-13-4(a)(2), as applicable, for property taxes for
19 any year for which a petition is submitted under this section.

20 ~~(b)~~ (c) Subject to subsection (e), if the township submits a
21 petition as provided in subsection ~~(a)~~ (b) before April June 1 of a year,
22 the department of local government finance shall increase the
23 township's maximum permissible ad valorem property tax levy for the
24 township firefighting and emergency services fund under
25 IC 36-8-13-4(a)(1) or the combined levies for the township firefighting
26 fund and township emergency services fund described in
27 IC 36-8-13-4(a)(2), as applicable, for property taxes first due and
28 payable in the immediately succeeding year by using the following
29 formula for purposes of subsection ~~(e)~~(2): (d)(2):

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

40 STEP TWO: Determine the greater of zero (0) or the result of:
41 (A) the STEP ONE percentage; minus
42 (B) six percent (6%);

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- 1 expressed as a decimal.
- 2 STEP THREE: Determine a rate that is the lesser of:
- 3 (A) fifteen-hundredths (0.15); or
- 4 (B) the STEP TWO result.
- 5 STEP FOUR: Reduce the STEP THREE rate by any rate
- 6 increase in the township's property tax rate or rates for its
- 7 township firefighting and emergency services fund, township
- 8 firefighting fund, or township emergency services fund, as
- 9 applicable, within the immediately preceding ten (10) year
- 10 period that was made based on a petition submitted by the
- 11 township under this section.
- 12 ~~(c)~~ **(d)** The township's maximum permissible ad valorem property
- 13 tax levy for its township firefighting and emergency services fund
- 14 under IC 36-8-13-4(a)(1) or the combined levies for the township
- 15 firefighting fund and township emergency services fund described in
- 16 IC 36-8-13-4(a)(2) for property taxes first due and payable in a given
- 17 year, as adjusted under this section, shall be calculated as:
- 18 (1) the amount of the ad valorem property tax levy increase for
- 19 the township firefighting and emergency services fund under
- 20 IC 36-8-13-4(a)(1) or the combined levies for the township
- 21 firefighting fund and township emergency services fund
- 22 described in IC 36-8-13-4(a)(2), as applicable, without regard to
- 23 this section; plus
- 24 (2) an amount equal to the result of:
- 25 (A) the rate determined under the formula in subsection ~~(b)~~;
- 26 **(c)**; multiplied by
- 27 (B) the net assessed value of the fire protection and
- 28 emergency services area divided by one hundred (100).
- 29 The calculation under this subsection shall be used in the determination
- 30 of the township's maximum permissible ad valorem property tax levy
- 31 under IC 36-8-13-4 for property taxes first due and payable in the first
- 32 year of the increase and thereafter.
- 33 **(e) Notwithstanding the rate limitation in STEP THREE of**
- 34 **subsection (c), a township may submit a petition under subsection**
- 35 **(b) to increase the township's maximum permissible ad valorem**
- 36 **property tax levy for its township firefighting and emergency**
- 37 **services fund under IC 36-8-13-4(a)(1) or the levies for the**
- 38 **township firefighting fund and township emergency services fund**
- 39 **described in IC 36-8-13-4(a)(2), as applicable, for property taxes**
- 40 **first due and payable in the immediately succeeding year as**
- 41 **determined under the formula under subsection (c), subject to the**
- 42 **following:**

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- 1 **(1) The amount determined under subsection (c) may not**
- 2 **exceed the result of:**
- 3 **(A) the STEP TWO result in subsection (c); multiplied**
- 4 **by**
- 5 **(B) eight-tenths (0.8).**
- 6 **(2) The rate, as adjusted under this section and as certified**
- 7 **by the department of local government finance for the**
- 8 **township's maximum permissible ad valorem property tax**
- 9 **levy for:**
- 10 **(A) its township firefighting and emergency services**
- 11 **fund under IC 36-8-13-4(a)(1); or**
- 12 **(B) the levies for the township firefighting fund and**
- 13 **township emergency services fund described in**
- 14 **IC 36-8-13-4(a)(2);**
- 15 **as applicable, may not exceed a rate determined by the**
- 16 **formula under subsection (f).**
- 17 **(3) STEP FOUR of subsection (c) applies to any petition the**
- 18 **executive of the township subsequently submits after**
- 19 **submitting an initial petition after December 31, 2025, under**
- 20 **this section.**
- 21 **(f) The rate limitation described in subsection (e)(2) shall be**
- 22 **determined using the following formula:**
- 23 **STEP ONE: Determine the sum of:**
- 24 **(A) the rate certified by the department of local**
- 25 **government finance for the current year for the**
- 26 **township's:**
- 27 **(i) township firefighting and emergency services**
- 28 **fund under IC 36-8-13-4(a)(1); or**
- 29 **(ii) the levies for the township firefighting fund and**
- 30 **township emergency services fund described in**
- 31 **IC 36-8-13-4(a)(2);**
- 32 **as applicable; plus**
- 33 **(B) the amount determined under STEP THREE of**
- 34 **subsection (c).**
- 35 **STEP TWO: Determine the lesser of:**
- 36 **(A) twenty-hundredths (0.20); or**
- 37 **(B) the STEP ONE result.**
- 38 **SECTION 47. IC 6-1.1-18-29 IS REPEALED [EFFECTIVE**
- 39 **UPON PASSAGE]. Sec. 29: (a) The board of trustees of a fire**
- 40 **protection district may, upon approval by the county legislative body,**
- 41 **submit a petition to the department of local government finance for an**
- 42 **increase in the fire protection district's maximum permissible ad**

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1 valorem property tax levy for property taxes first due and payable in
 2 2021 or for any year thereafter for which a petition is submitted under
 3 this section:

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

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

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

20 (A) the STEP ONE percentage; minus

21 (B) six percent (6%);

22 expressed as a decimal.

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

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

25 (B) the STEP TWO result.

26 STEP FOUR: Reduce the STEP THREE rate by any rate
 27 increase in the fire protection district's property tax rate within
 28 the immediately preceding ten (10) year period that was made
 29 based on a petition submitted by the fire protection district under
 30 this section:

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

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

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

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

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

41 The calculation under this subsection shall be used in the determination
 42 of the fire protection district's maximum permissible ad valorem

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1 property tax levy for property taxes first due and payable in the first
2 year of the increase and thereafter.

3 SECTION 48. IC 6-1.1-18-29.5 IS REPEALED [EFFECTIVE
4 UPON PASSAGE]. Sec. 29.5: (a) The executive of a unit serving as the
5 provider unit of a fire protection territory may, upon approval by the
6 provider unit's fiscal body, submit a petition to the department of local
7 government finance for an increase in the fire protection territory's
8 maximum permissible ad valorem property tax levy for its fire
9 protection territory fund under IC 36-8-19-8 for property taxes first due
10 and payable in 2023 or for any year thereafter for which a petition is
11 submitted under this section.

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

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

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

29 (A) the STEP ONE percentage, minus

30 (B) six percent (6%);

31 expressed as a decimal.

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

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

34 (B) the STEP TWO result.

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

40 (c) The fire protection territory's maximum permissible ad valorem
41 property tax levy for its fire protection territory fund under
42 IC 36-8-19-8 for property taxes first due and payable in a given year;

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1 as adjusted under this section; shall be calculated as:

- 2 (1) the amount of the ad valorem property tax levy increase for
 3 the fire protection territory fund without regard to this section;
 4 plus
 5 (2) an amount equal to the result of:
 6 (A) the rate determined under the formula in subsection (b);
 7 multiplied by
 8 (B) the net assessed value of the fire protection territory
 9 area divided by one hundred (100).

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

14 SECTION 49. IC 6-1.1-18.5-7, AS AMENDED BY P.L.159-2020,
 15 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 7. (a) A civil taxing unit
 17 is not subject to the levy limits imposed by section 3 of this chapter for
 18 an ensuing calendar year if the civil taxing unit did not ~~adopt an ad~~
 19 ~~valorem property tax levy for the immediately preceding calendar year.~~
 20 **exist as of January 1 in the calendar year that immediately**
 21 **precedes the ensuing calendar year.**

22 (b) If under subsection (a) a civil taxing unit is not subject to the
 23 levy limits imposed under section 3 of this chapter for an ensuing
 24 calendar year, the civil taxing unit shall, ~~before June 30 of in the~~
 25 ~~immediately preceding year, refer its proposed~~ **adopt its** budget, ad
 26 ~~valorem property tax levy, and property tax rate for the ensuing~~
 27 ~~calendar year to and file the adopted budget, ad valorem property~~
 28 ~~tax levy, and property tax rate with the department of local~~
 29 ~~government finance as required by IC 6-1.1-17-5. The department of~~
 30 ~~local government finance shall make a final determination of review~~
 31 ~~the civil taxing unit's budget, ad valorem property tax levy, and~~
 32 ~~property tax rate for the ensuing calendar year to ensure the adopted~~
 33 ~~budget is fundable based on the civil taxing unit's adopted tax levy~~
 34 ~~and estimates of available revenues. If the adopted budget is~~
 35 ~~fundable, the department of local government finance shall certify~~
 36 ~~the adopted ad valorem property tax levy for the ensuing calendar~~
 37 ~~year. However, a civil taxing unit may not impose a property tax levy~~
 38 ~~for an ensuing calendar year if the unit did not exist as of January 1 of~~
 39 ~~the immediately preceding year.~~

40 (c) This subsection does not apply to an ad valorem property tax
 41 levy imposed by a civil taxing unit for fire protection services within
 42 a fire protection territory under IC 36-8-19. In determining a budget, ad

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1 valorem property tax levy, and property tax rate under subsection (b),
2 the department shall consider the effect of a property tax levy on a local
3 income tax distribution to the civil taxing unit under IC 6-3.6-6.

4 SECTION 50. IC 6-1.1-18.5-9.8, AS AMENDED BY
5 P.L.184-2016, SECTION 15, IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.8. (a) For purposes
7 of determining the property tax levy limit imposed on a city, town, or
8 county under section 3 of this chapter, the city, town, or county's ad
9 valorem property tax levy for a particular calendar year does not
10 include an amount equal to the amount of ad valorem property taxes
11 that would be first due and payable to the city, town, or county during
12 the ensuing calendar year if the taxing unit imposed ~~the maximum~~
13 ~~permissible a certified~~ property tax rate per one hundred dollars (\$100)
14 of assessed valuation that the civil taxing unit may impose for the
15 particular calendar year under the authority of IC 36-9-14.5 (in the case
16 of a county) or IC 36-9-15.5 (in the case of a city or town).

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

23 SECTION 51. IC 6-1.1-18.5-12, AS AMENDED BY P.L.68-2025,
24 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 UPON PASSAGE]: Sec. 12. (a) Any civil taxing unit that incurs
26 increased costs resulting from annexation, **consolidation**, a natural
27 disaster, an accident, or another unanticipated emergency, and
28 determines that it cannot carry out its governmental functions for an
29 ensuing calendar year under the levy limitations imposed by section 3
30 or 25 of this chapter, as applicable, may, subject to subsections (h) and
31 (i):

- 32 (1) before October 20 of the calendar year immediately
33 preceding the ensuing calendar year; or
- 34 (2) in the case of a request described in section 16 of this
35 chapter, before December 31 of the calendar year immediately
36 preceding the ensuing calendar year;

37 appeal to the department of local government finance for relief from
38 those levy limitations. In the appeal the civil taxing unit must state that
39 it will be unable to carry out the governmental functions committed to
40 it by law unless it is given the authority that it is petitioning for. The
41 civil taxing unit must support these allegations by reasonably detailed
42 statements of fact.

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1 (b) The department of local government finance shall immediately
 2 proceed to the examination and consideration of the merits of the civil
 3 taxing unit's appeal.

4 (c) In considering an appeal, the department of local government
 5 finance has the power to conduct hearings, require any officer or
 6 member of the appealing civil taxing unit to appear before it, or require
 7 any officer or member of the appealing civil taxing unit to provide the
 8 department with any relevant records or books.

9 (d) If an officer or member:

10 (1) fails to appear at a hearing after having been given written
 11 notice requiring that person's attendance; or

12 (2) fails to produce the books and records that the department by
 13 written notice required the officer or member to produce;

14 then the department may file an affidavit in the circuit court, superior
 15 court, or probate court in the jurisdiction in which the officer or
 16 member may be found setting forth the facts of the failure.

17 (e) Upon the filing of an affidavit under subsection (d), the court
 18 shall promptly issue a summons, and the sheriff of the county within
 19 which the court is sitting shall serve the summons. The summons must
 20 command the officer or member to appear before the department to
 21 provide information to the department or to produce books and records
 22 for the department's use, as the case may be. Disobedience of the
 23 summons constitutes, and is punishable as, a contempt of the court that
 24 issued the summons.

25 (f) All expenses incident to the filing of an affidavit under
 26 subsection (d) and the issuance and service of a summons shall be
 27 charged to the officer or member against whom the summons is issued,
 28 unless the court finds that the officer or member was acting in good
 29 faith and with reasonable cause. If the court finds that the officer or
 30 member was acting in good faith and with reasonable cause or if an
 31 affidavit is filed and no summons is issued, the expenses shall be
 32 charged against the county in which the affidavit was filed and shall be
 33 allowed by the proper fiscal officers of that county.

34 (g) The fiscal officer of a civil taxing unit that appeals under
 35 section 16 of this chapter for relief from levy limitations shall
 36 immediately file a copy of the appeal petition with the county auditor
 37 and the county treasurer of the county in which the unit is located.

38 (h) This subsection applies to a civil taxing unit whose budget for
 39 the upcoming year is subject to review by a fiscal body under:

40 (1) IC 6-1.1-17-20;

41 (2) IC 6-1.1-17-20.3; or

42 (3) IC 6-1.1-17-20.4.

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1 A civil taxing unit described in this subsection may not submit an
 2 appeal under this section unless the civil taxing unit receives approval
 3 from the appropriate fiscal body to submit the appeal.

4 (i) A participating unit of a fire protection territory may not submit
 5 an appeal under this section unless each participating unit of the fire
 6 protection territory has adopted a resolution approving submission of
 7 the appeal.

8 SECTION 52. IC 6-1.1-18.5-13, AS AMENDED BY P.L. 68-2025,
 9 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 13. With respect to an appeal filed under
 11 section 12 of this chapter, the department may find that a civil taxing
 12 unit should receive the following relief:

13 (1) Permission to the civil taxing unit to increase its levy in
 14 excess of the limitations established under section 3 or 25 of this
 15 chapter, as applicable, if in the judgment of the department the
 16 increase is reasonably necessary due to increased costs of the
 17 civil taxing unit resulting from annexation **or consolidation**. If
 18 those increased costs are incurred by the civil taxing unit in that
 19 calendar year and more than one (1) immediately succeeding
 20 calendar year, the unit may appeal under section 12 of this
 21 chapter for permission to increase its levy under this subdivision
 22 based on those increased costs in any of the following:

23 (A) The first calendar year in which those costs are
 24 incurred.

25 (B) One (1) or more of the immediately succeeding four (4)
 26 calendar years.

27 (2) Permission to a civil taxing unit to increase its levy in excess
 28 of the limitations established under section 3 or 25 of this
 29 chapter, as applicable, if the department determines that the civil
 30 taxing unit cannot carry out its governmental functions for an
 31 ensuing calendar year under the levy limitations imposed by
 32 section 3 or 25 of this chapter, as applicable, due to a natural
 33 disaster, an accident, or another unanticipated emergency.

34 SECTION 53. IC 6-1.1-18.5-33 IS ADDED TO THE INDIANA
 35 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 36 [EFFECTIVE UPON PASSAGE]: **Sec. 33. (a) This section applies**
 37 **only to Miami Township in Cass County.**

38 **(b) Subject to subsection (c), the executive of a township**
 39 **described in subsection (a) may, after approval by the fiscal body**
 40 **of the township, and before August 1, 2026, submit a petition to the**
 41 **department of local government finance requesting an increase in**
 42 **the township's maximum permissible ad valorem property tax levy**

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- 1 for property taxes first due and payable in 2027.
- 2 (c) Before the fiscal body of the township may approve a
- 3 petition under subsection (b), the fiscal body of the township shall
- 4 hold a public hearing on the petition. The fiscal body shall give
- 5 notice of the public hearing under IC 5-3-1. At the public hearing,
- 6 the fiscal body shall make available to the public the following:
- 7 (1) A fiscal plan describing the need for the increase to the
- 8 levy and the expenditures for which the revenue generated
- 9 from the increase to the levy will be used.
- 10 (2) A statement that the proposed increase will be a
- 11 permanent increase to the township's maximum permissible
- 12 ad valorem property tax levy.
- 13 (3) The estimated effect of the proposed increase on
- 14 taxpayers.

15 After the fiscal body approves the petition, the township shall
 16 immediately notify the other civil taxing units and school
 17 corporations in the county that are located in a taxing district
 18 where the township is also located.

19 (d) If the executive of the township submits a petition under
 20 subsection (b), the department of local government finance shall
 21 increase the maximum permissible ad valorem property tax levy
 22 for property taxes first due and payable in 2027 by twelve
 23 thousand one hundred sixty-seven dollars (\$12,167).

24 (e) The township's maximum permissible ad valorem property
 25 tax levy for property taxes first due and payable in 2027, as
 26 adjusted under this section, shall be used in the determination of
 27 the township's maximum permissible ad valorem property tax levy
 28 under IC 6-1.1-18.5 for property taxes first due and payable in
 29 2028 and thereafter.

30 (f) This section expires June 30, 2029.
 31 SECTION 54. IC 6-1.1-20.6-2.4, AS ADDED BY P.L.146-2008,
 32 SECTION 217, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE UPON PASSAGE]: Sec. 2.4. As used in this chapter,
 34 (†) "manufactured home" has the meaning set forth in
 35 IC ~~22-12-1-16~~; and IC 9-13-2-96(a). The term includes a
 36 mobile home (as defined in IC 9-13-2-103.2).

37 (2) "mobile home" has the meaning set forth in IC ~~16-41-27-4~~.
 38 SECTION 55. IC 6-1.1-20.6-3, AS AMENDED BY P.L.68-2025,
 39 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 3. As used in this
 41 chapter, "property tax liability" means, for purposes of:
 42 (1) this chapter, other than section 7.7 or 8.5 of this chapter,

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

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

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

19 SECTION 56. IC 6-1.1-20.6-9.5, AS AMENDED BY
 20 P.L.272-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9.5. (a)
 22 This section applies only to credits under this chapter against property
 23 taxes first due and payable after December 31, 2006.

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

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

32 SECTION 57. IC 6-1.1-20.6-9.8, AS AMENDED BY P.L.9-2024,
 33 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 9.8. (a)
 35 This section applies to property taxes first due and payable after
 36 December 31, 2009.

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

- 38 (1) "Debt service obligations of a political subdivision" refers to:
 39 (A) the principal and interest payable during a calendar year
 40 on bonds; and
 41 (B) lease rental payments payable during a calendar year on
 42 leases;

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

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

8 SECTION 58. IC 6-1.1-20.6-9.9, AS AMENDED BY
 9 P.L.236-2023, SECTION 39, IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:
 11 Sec. 9.9. (a) This subsection applies to credits allocated before January
 12 1, 2024. If:

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

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

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

21 (2) the school corporation's:

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

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

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

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

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

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

39 (c) Subject to subsection (a) (before January 1, 2024) and
 40 subsection (b) (after December 31, 2023), a school corporation is
 41 eligible to allocate credits proportionately under this section for 2019,
 42 2020, 2021, 2022, 2023, 2024, 2025, or 2026 if the school corporation's

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1 percentage computed under this subsection is at least ten percent (10%)
 2 for its operations fund levy as certified by the department of local
 3 government finance. A school corporation shall compute its percentage
 4 under this subsection as determined under the following formula:

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

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

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

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

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

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

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

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

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

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

38 (e) For a school corporation that is certified as eligible under this
 39 section, the school corporation may allocate the effect of the credits
 40 granted under this chapter **and IC 6-1.1-49** proportionately among all
 41 the school corporation's property tax funds that are not exempt under
 42 section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund

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1 and without taking into account the requirements of section 9.8 of this
 2 chapter regarding protected taxes as determined under the following
 3 formula:

4 STEP ONE: Determine the product of:

5 (A) the percentage determined under STEP EIGHT of
 6 subsection (c); multiplied by

7 (B) five (5).

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

10 STEP THREE: Determine the product of:

11 (A) the amount determined under STEP SIX of subsection
 12 (c); multiplied by

13 (B) the STEP TWO percentage.

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

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

21 SECTION 59. IC 6-1.1-21.2-4, AS AMENDED BY P.L. 146-2008,
 22 SECTION 232, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "base
 24 assessed value" means the base assessed value as that term is defined
 25 or used in:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (15) IC 36-7-30-25(a)(2);

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

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

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1 (18) IC 36-7-30.5-31.
 2 SECTION 60. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008,
 3 SECTION 236, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter,
 5 "property taxes" means:

- 6 (1) property taxes, as defined in:
 7 (A) ~~IC 6-1.1-39-5(g)~~; **IC 6-1.1-39-5(h)**;
 8 (B) IC 36-7-14-39(a);
 9 (C) IC 36-7-14-39.2;
 10 (D) IC 36-7-14-39.3(c);
 11 (E) IC 36-7-14.5-12.5;
 12 (F) IC 36-7-15.1-26(a);
 13 (G) IC 36-7-15.1-26.2(c);
 14 (H) IC 36-7-15.1-53(a);
 15 (I) IC 36-7-15.1-55(c);
 16 (J) IC 36-7-30-25(a)(3);
 17 (K) IC 36-7-30-26(c);
 18 (L) IC 36-7-30.5-30; or
 19 (M) IC 36-7-30.5-31; or
 20 (2) for allocation areas created under IC 8-22-3.5, the taxes
 21 assessed on taxable tangible property in the allocation area.

22 SECTION 61. IC 6-1.1-22-19, AS ADDED BY P.L.230-2025,
 23 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 19. (a) This section
 25 applies to real property tax statements provided to taxpayers after
 26 December 31, 2025.

27 (b) In a manner determined by the department of local government
 28 finance, the department of local government finance shall include on
 29 the coupon page of the property tax statement prescribed by the
 30 department of local government finance educational information
 31 regarding the eligibility and procedures for the following deductions
 32 and ~~credit~~ **credits** available to certain eligible taxpayers:

- 33 (1) The deduction for a veteran with a partial disability under
 34 IC 6-1.1-12-13 **(before its expiration)**.
 35 (2) The deduction for a totally disabled veteran ~~or a veteran who~~
 36 ~~is at least sixty-two (62) years of age who is partially disabled~~
 37 under IC 6-1.1-12-14.
 38 (3) The deduction for a disabled veteran under IC 6-1.1-12-14.5.
 39 (4) The credit for a person sixty-five (65) years of age or older
 40 under IC 6-1.1-51.3-1.
 41 **(5) The credit for a disabled veteran or a veteran who is at**
 42 **least sixty-two (62) years of age under IC 6-1.1-51.3-5.**

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1 **(6) The credit for a veteran with a partial disability under**
 2 **IC 6-1.1-51.3-6.**

3 SECTION 62. IC 6-1.1-24-5.7, AS AMENDED BY P.L.26-2023,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 5.7. (a) The county
 6 treasurer shall require each person who will be bidding at the tax sale
 7 to sign a statement in a form substantially similar to the following:

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

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

40 (1) not more than five (5) days after the county treasurer is
 41 notified, notify the person in writing by first class mail that the
 42 sale is subject to forfeiture if the person does not pay the

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

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1 redemption, the county executive shall surrender the certificate to the
2 county auditor.

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

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

10 SECTION 63. IC 6-1.1-24-5.9 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 5.9. (a) As**
13 **used in this section, "business entity" refers to any of the following:**

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

29 (b) An individual or business entity may not bid or purchase
30 a tract or item of real property offered for sale under section 5 or
31 6.1 of this chapter if:

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

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

41 SECTION 64. IC 6-1.1-24-9, AS AMENDED BY P.L.26-2023,
42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2026 (RETROACTIVE)]; Sec. 9. (a) Immediately after
 2 a tax sale purchaser pays the bid, as evidenced by the receipt of the
 3 county treasurer, or immediately after the county acquires a lien under
 4 section 6 of this chapter, the county auditor shall deliver a certificate
 5 of sale to the purchaser or to the county or to the city. The certificate
 6 shall be signed by the auditor and registered in the auditor's office. The
 7 certificate shall contain:

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

10 (2) the name of:

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

13 (B) at least one (1) of the owners of real property with
 14 multiple owners;

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

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

18 (5) the date of sale;

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

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

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

25 (9) the court cause number under which judgment was obtained;
 26 and

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

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

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

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1 prohibiting the assignment of a certificate of sale acquired at a
 2 treasurer's sale (pursuant to section 5 of this chapter) or at a county
 3 executive's tax sale (pursuant to section 6.1 of this chapter) prior to the
 4 issuance of a tax deed for the real property by the county auditor.

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

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

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

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

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

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

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

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

31 SECTION 65. IC 6-1.1-37-4, AS AMENDED BY P.L.230-2025,
 32 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 4. A person who makes
 34 a false statement, with intent to obtain the property tax deduction
 35 provided in either IC 6-1.1-12-13 (**before its expiration**) or
 36 IC 6-1.1-12-14 when the person is not entitled to the deduction,
 37 commits a Class B misdemeanor.

38 SECTION 66. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019,
 39 SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68,
 40 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A declaratory ordinance
 42 adopted under section 2 of this chapter and confirmed under section 3

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

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

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

14 (B) the base assessed value;

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

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

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

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- 1 in the manner prescribed by subdivision (1).
- 2 (b) Property tax proceeds allocable to the economic development
3 district under subsection (a)(2) must, subject to subsection (a)(3), be
4 irrevocably pledged by the unit for payment as set forth in subsection
5 (a)(2).
- 6 (c) For the purpose of allocating taxes levied by or for any taxing
7 unit or units, the assessed value of taxable property in a territory in the
8 economic development district that is annexed by any taxing unit after
9 the effective date of the allocation provision of the declaratory
10 ordinance is the lesser of:
- 11 (1) the assessed value of the property for the assessment date
12 with respect to which the allocation and distribution is made; or
13 (2) the base assessed value.
- 14 (d) Notwithstanding any other law, each assessor shall, upon
15 petition of the fiscal body, reassess the taxable property situated upon
16 or in, or added to, the economic development district effective on the
17 next assessment date after the petition.
- 18 (e) Notwithstanding any other law, the assessed value of all
19 taxable property in the economic development district, for purposes of
20 tax limitation, property tax replacement, and formulation of the budget,
21 tax rate, and tax levy for each political subdivision in which the
22 property is located, is the lesser of:
- 23 (1) the assessed value of the property as valued without regard
24 to this section; or
25 (2) the base assessed value.
- 26 (f) 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 of a group of parcels under a
30 reassessment plan prepared under IC 6-1.1-4-4.2 the ~~department of~~
31 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
32 **by the department of local government finance**, adjust the base
33 assessed value one (1) time to neutralize any effect of the reassessment
34 on the property tax proceeds allocated to the district under this section.
35 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
36 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
37 **by the department of local government finance**, adjust the base
38 assessed value to neutralize any effect of the annual adjustment on the
39 property tax proceeds allocated to the district under this section.
40 However, the adjustments under this subsection may not include the
41 effect of property tax abatements under IC 6-1.1-12.1.
- 42 (g) **The county auditor shall, in the manner prescribed by the**

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1 **department of local government finance, submit the forms**
 2 **required by this section to the department of local government**
 3 **finance no later than July 15 of each year.**

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

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

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

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

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

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

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

42 SECTION 67. IC 6-1.1-41-4, AS AMENDED BY P.L.38-2021,

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1 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 4. (a) A political subdivision that in any year
3 adopts a proposal under this chapter must submit the proposal to the
4 department of local government finance:

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

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

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

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

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

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

30 SECTION 68. IC 6-1.1-51.3-1, AS ADDED BY P.L.68-2025,
31 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 1. (a) An individual is
33 entitled to a credit against local property taxes imposed on the
34 individual's real property, or mobile home or manufactured home
35 within the county, if:

- 36 (1) the individual is at least sixty-five (65) years of age on or
37 before December 31 of the calendar year preceding the year in
38 which the credit is claimed;
39 (2) the individual has owned the real property, mobile home, or
40 manufactured home for at least one (1) year before claiming the
41 credit; or the individual has been buying the real property,
42 mobile home, or manufactured home under a contract that

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1 provides that the individual is to pay the property taxes on the
 2 real property, mobile home, or manufactured home for at least
 3 one (1) year before claiming the credit, and the contract or a
 4 memorandum of the contract is recorded in the county recorder's
 5 office;

6 (3) the individual:

7 (A) owns the real property, mobile home, or manufactured
 8 home; or

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

11 on the date the credit is claimed; ~~and~~

12 (4) the:

13 (A) individual had, in the case of an individual who filed a
 14 single return, adjusted gross income (as defined in Section
 15 62 of the Internal Revenue Code) not exceeding sixty
 16 thousand dollars (\$60,000);

17 (B) individual had, in the case of an individual who filed a
 18 joint income tax return with the individual's spouse,
 19 combined adjusted gross income (as defined in Section 62
 20 of the Internal Revenue Code) not exceeding seventy
 21 thousand dollars (\$70,000); or

22 (C) combined adjusted gross income (as defined in Section
 23 62 of the Internal Revenue Code) of the individual and all
 24 other individuals with whom:

25 (i) the individual shares ownership; or

26 (ii) the individual is purchasing the property under a
 27 contract;

28 as joint tenants or tenants in common did not exceed
 29 seventy thousand dollars (\$70,000);

30 for the calendar year preceding by two (2) years the calendar
 31 year in which the property taxes are first due and payable; **and**

32 **(5) the individual resides on the real property, mobile home,
 33 or manufactured home.**

34 (b) The amount of the credit is equal to one hundred fifty dollars
 35 (\$150).

36 (c) An individual may not be denied the credit provided under this
 37 section because the individual is absent from the real property, mobile
 38 home, or manufactured home while in a nursing home or hospital.

39 (d) For purposes of this section, if real property, a mobile home,
 40 or a manufactured home is owned by:

41 (1) tenants by the entirety;

42 (2) joint tenants; or

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1 (3) tenants in common;
2 only one (1) credit may be allowed. However, the age requirement is
3 satisfied if any one (1) of the tenants is at least sixty-five (65) years of
4 age.

5 (e) A surviving spouse is entitled to the credit provided by this
6 section if:

7 (1) the surviving spouse is at least sixty (60) years of age on or
8 before December 31 of the calendar year preceding the year in
9 which the credit is claimed;

10 (2) the surviving spouse's deceased husband or wife was at least
11 sixty-five (65) years of age at the time of a death; and

12 (3) the surviving spouse has not remarried.

13 (f) An individual who has sold real property to another person
14 under a contract that provides that the contract buyer is to pay the
15 property taxes on the real property may not claim the credit provided
16 under this section against that real property.

17 (g) If individuals share ownership or are purchasing the property
18 under a contract as joint tenants or tenants in common and all of the
19 tenants are not at least sixty-five (65) years of age, the credit allowed
20 under this section shall be reduced by an amount equal to the credit
21 multiplied by a fraction. The numerator of the fraction is the number of
22 tenants who are not at least sixty-five (65) years of age, and the
23 denominator is the total number of tenants.

24 (h) An individual wishing to claim a credit under this section must
25 file a statement, on forms prescribed by the department of local
26 government finance, with the county auditor and provide
27 documentation necessary to substantiate the individual's eligibility for
28 the credit. The statement must be completed and dated on or before
29 January 15 of the calendar year in which the property taxes are first due
30 and payable. The statement may be filed in person or by mail. If
31 mailed, the mailing must be postmarked on or before the last day for
32 filing. An individual who remains eligible for the credit in the
33 following year is not required to file a statement to apply for the credit
34 in the following year. However, an individual who receives a credit
35 under this section in a particular year and who becomes ineligible for
36 the credit in the following year shall notify the auditor of the county in
37 which the homestead is located of the individual's ineligibility not later
38 than sixty (60) days after the individual becomes ineligible.

39 SECTION 69. IC 6-1.1-51.3-5 IS ADDED TO THE INDIANA
40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
41 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 5. (a) An**
42 **individual is entitled to a credit against local property taxes**

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1 imposed on the individual's real property, or mobile home or
2 manufactured home within the county, if:

3 (1) the individual served in the military or naval forces of the
4 United States for at least ninety (90) days;

5 (2) the individual received an honorable discharge;

6 (3) the individual is at least sixty-two (62) years of age and
7 has a disability of at least ten percent (10%);

8 (4) the individual's disability is evidenced by:

9 (A) a pension certificate or an award of compensation
10 issued by the United States Department of Veterans
11 Affairs; or

12 (B) a certificate of eligibility issued to the individual by
13 the Indiana department of veterans' affairs after the
14 Indiana department of veterans' affairs has determined
15 that the individual's disability qualifies the individual to
16 receive a credit under this section; and

17 (5) the individual:

18 (A) owns the real property, mobile home, or
19 manufactured home; or

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

22 on the date the credit is claimed, and in the case of clause (B),
23 the contract or a memorandum of the contract is recorded in
24 the county recorder's office.

25 (b) The amount of the credit is equal to two hundred fifty
26 dollars (\$250).

27 (c) The surviving spouse of an individual may receive the
28 credit provided by this section if:

29 (1) the individual satisfied the requirements of subsection
30 (a)(1) through (a)(4) at the time of death; or

31 (2) the individual:

32 (A) was killed in action;

33 (B) died while serving on active duty in the military or
34 naval forces of the United States; or

35 (C) died while performing inactive duty training in the
36 military or naval forces of the United States;

37 and the surviving spouse satisfies the requirement of subsection
38 (a)(5) at the time the credit is claimed. The surviving spouse is
39 entitled to the credit regardless of whether the property for which
40 the credit is claimed was owned by the deceased veteran or the
41 surviving spouse before the deceased veteran's death.

42 (d) An individual who receives the credit provided by this



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1 section may receive any other property tax credit that the
2 individual is entitled to by law.

3 (e) An individual who has sold real property or a mobile home
4 or manufactured home to another person under a contract that
5 provides that the contract buyer is to pay the property taxes on the
6 real property, mobile home, or manufactured home may not claim
7 the credit provided under this section against that real property,
8 mobile home, or manufactured home.

9 (f) An individual wishing to claim a credit under this section
10 must file a statement, on forms prescribed by the department of
11 local government finance, with the county auditor and provide
12 documentation necessary to substantiate the individual's eligibility
13 for the credit. The statement must be completed and dated on or
14 before January 15 of the calendar year in which the property taxes
15 are first due and payable. The statement may be filed in person or
16 by mail. If mailed, the mailing must be postmarked on or before
17 the last day for filing. An individual who remains eligible for the
18 credit in the following year is not required to file a statement to
19 apply for the credit in the following year. However, an individual
20 who receives a credit under this section in a particular year and
21 who becomes ineligible for the credit in the following year shall
22 notify the auditor of the county in which the homestead is located
23 of the individual's ineligibility not later than sixty (60) days after
24 the individual becomes ineligible.

25 SECTION 70. IC 6-1.1-51.3-6 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: Sec. 6. (a) An
28 individual is entitled to a credit against local property taxes
29 imposed on the individual's real property, mobile home, or
30 manufactured home within the county, if:

- 31 (1) the individual served in the military or naval forces of the
32 United States during any of its wars;
33 (2) the individual received an honorable discharge;
34 (3) the individual has a disability with a service connected
35 disability of ten percent (10%) or more;
36 (4) the individual's disability is evidenced by:
37 (A) a pension certificate, an award of compensation, or
38 a disability compensation check issued by the United
39 States Department of Veterans Affairs; or
40 (B) a certificate of eligibility issued to the individual by
41 the Indiana department of veterans' affairs after the
42 Indiana department of veterans' affairs has determined

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1 that the individual's disability qualifies the individual to
 2 receive a credit under this section; and

3 **(5) the individual:**

4 **(A) owns the real property, mobile home, or**
 5 **manufactured home; or**

6 **(B) is buying the real property, mobile home, or**
 7 **manufactured home under contract;**

8 **on the date the credit is claimed, and in the case of clause (B),**
 9 **the contract or a memorandum of the contract is recorded in**
 10 **the county recorder's office.**

11 **(b) The amount of the credit is equal to three hundred fifty**
 12 **dollars (\$350).**

13 **(c) The surviving spouse of an individual may receive the**
 14 **credit provided by this section if the individual satisfied the**
 15 **requirements of subsection (a)(1) through (a)(4) at the time of**
 16 **death and the surviving spouse satisfies the requirement of**
 17 **subsection (a)(5) at the time the credit is claimed. The surviving**
 18 **spouse is entitled to the credit regardless of whether the property**
 19 **for which the credit is claimed was owned by the deceased veteran**
 20 **or the surviving spouse before the deceased veteran's death.**

21 **(d) An individual who receives the credit provided by this**
 22 **section may receive any other property tax credit that the**
 23 **individual is entitled to by law.**

24 **(e) An individual who has sold real property or a mobile home**
 25 **or manufactured home to another person under a contract that**
 26 **provides that the contract buyer is to pay the property taxes on the**
 27 **real property, mobile home, or manufactured home may not claim**
 28 **the credit provided under this section against that real property,**
 29 **mobile home, or manufactured home.**

30 **(f) An individual wishing to claim a credit under this section**
 31 **must file a statement, on forms prescribed by the department of**
 32 **local government finance, with the county auditor and provide**
 33 **documentation necessary to substantiate the individual's eligibility**
 34 **for the credit. The statement must be completed and dated on or**
 35 **before January 15 of the calendar year in which the property taxes**
 36 **are first due and payable. The statement may be filed in person or**
 37 **by mail. If mailed, the mailing must be postmarked on or before**
 38 **the last day for filing. An individual who remains eligible for the**
 39 **credit in the following year is not required to file a statement to**
 40 **apply for the credit in the following year. However, an individual**
 41 **who receives a credit under this section in a particular year and**
 42 **who becomes ineligible for the credit in the following year shall**

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1 **notify the auditor of the county in which the homestead is located**
 2 **of the individual's ineligibility not later than sixty (60) days after**
 3 **the individual becomes ineligible.**

4 SECTION 71. IC 6-1.1-51.3-7 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 7. A trust**
 7 **is entitled to a credit under section 1, 2, 5, or 6 of this chapter for**
 8 **real property owned by the trust and occupied by an individual if**
 9 **the county auditor determines that the individual:**

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

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

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

17 **(2) otherwise qualifies for the credit.**

18 SECTION 72. IC 6-2.5-5-29 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 29. (a) As used in**
 20 **this section:**

21 **"Manufactured home" means a manufactured home as that term is**
 22 **defined in 42 U.S.C. 5402(6) as that statute was adopted and in effect**
 23 **on January 1, 1988: has the definition set forth in IC 9-13-2-96(a).**
 24 **The term includes a mobile home (as defined in IC 9-13-2-103.2).**

25 **"Industrialized residential structure" means a structure that is both**
 26 **an industrialized building system (as defined in IC 22-12-1-14) and a**
 27 **one (1) or two (2) family private residence.**

28 **(b) Sales of manufactured homes or industrialized residential**
 29 **structures are exempt from the state gross retail tax to the extent that**
 30 **the gross retail income from the sales is not attributable to the cost of**
 31 **materials used in manufacturing the manufactured home or**
 32 **industrialized residential structure.**

33 **(c) For purposes of this section, the part of the gross retail income**
 34 **not attributable to the cost of materials used in manufacturing a**
 35 **manufactured home or an industrialized residential structure is**
 36 **thirty-five percent (35%) of the gross retail income derived from the**
 37 **sale of the manufactured home or industrialized residential structure.**

38 **(d) The gross retail income derived from the sale of a preowned**
 39 **manufactured home is exempt from the state gross retail tax.**

40 SECTION 73. IC 6-3.1-38-4, AS ADDED BY P.L.203-2023,
 41 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 4. (a) Subject to**

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1 **subsection (c) and** section 7 of this chapter, a qualified taxpayer may
 2 claim a credit against the qualified taxpayer's state tax liability for a
 3 qualified contribution for a qualified taxpayer with less than fifty (50)
 4 employees, **if the amount provided toward the health**
 5 **reimbursement arrangement is equal to or greater than the level**
 6 **of benefits provided in the previous benefit year, or if the amount**
 7 **the employer contributes toward the health reimbursement**
 8 **arrangement equals the same amount contributed per covered**
 9 **individual toward the employer provided health insurance plan**
 10 **during the previous benefit year. up to four hundred dollars (\$400)**
 11 **in the first year per covered employee if the amount provided toward**
 12 **the health reimbursement arrangement is equal to or greater than either**
 13 **the level of benefits provided in the previous benefit year, or if the**
 14 **amount the employer contributes toward the health reimbursement**
 15 **arrangement equals the same amount contributed per covered**
 16 **individual toward the employer provided health insurance plan during**
 17 **the previous benefit year. The credit under this section decreases to two**
 18 **hundred dollars (\$200) per covered employee in the second year.**

19 **(b) The amount of the credit is the lesser of:**

- 20 **(1) the amount contributed by the employer toward the**
 21 **health reimbursement arrangement during the taxable year;**
 22 **or**
 23 **(2) the following:**

24 **(A) For the taxable year in which the employer**
 25 **establishes the health reimbursement arrangement, four**
 26 **hundred dollars (\$400).**

27 **(B) For the taxable year that immediately follows the**
 28 **taxable year in which the employer establishes the**
 29 **health reimbursement arrangement, two hundred**
 30 **dollars (\$200).**

31 **(C) For a taxable year following a taxable year**
 32 **described in clause (B), zero dollars (\$0).**

33 **(c) A qualified taxpayer may not claim a credit under this**
 34 **chapter for a health reimbursement arrangement established in a**
 35 **taxable year beginning before January 1, 2024.**

36 SECTION 74. IC 6-3.1-38-4.5 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]: **Sec. 4.5. For**
 39 **a taxable year beginning after December 31, 2025, if a pass through**
 40 **entity is entitled to a credit under section 4 of this chapter but does**
 41 **not have state tax liability against which the tax credit may be**
 42 **applied, a shareholder, partner, or member of the pass through**

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1 **entity is entitled to a tax credit equal to:**

2 **(1) the tax credit determined for the pass through entity for**
3 **the taxable year; multiplied by**

4 **(2) the percentage of the pass through entity's distributive**
5 **income to which the shareholder, partner, or member is**
6 **entitled.**

7 SECTION 75. IC 6-3.1-38-7, AS ADDED BY P.L.203-2023,
8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 7. (a) The amount of tax
10 credits granted under this chapter may not exceed ten million dollars
11 (\$10,000,000) in any ~~taxable~~ **calendar** year.

12 (b) The department shall record the time of filing of each return
13 claiming a credit under section 6 of this chapter and shall approve the
14 claims if they otherwise qualify for a tax credit under this chapter, in
15 the chronological order in which the claims are filed in the ~~state fiscal~~
16 **calendar** year. **The claim of a credit resulting from a pass through**
17 **entity shall be considered to be filed when the pass through entity**
18 **files a return for the taxable year.**

19 (c) **For purposes of calculating the amount of tax credits**
20 **granted under this chapter in a calendar year, in the case of a**
21 **taxpayer for whom some amount of the credit claimed must be**
22 **carried over under section 8 of this chapter, the taxpayer is**
23 **considered to have filed a claim for the full amount allowable to the**
24 **taxpayer.**

25 (e) (d) The department may not approve a claim for a tax credit
26 after the date on which the total credits approved under this section
27 equal the maximum amount allowable in a particular ~~state fiscal~~
28 **calendar** year.

29 SECTION 76. IC 6-3.6-1-1.5, AS AMENDED BY P.L.68-2025,
30 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2028]: Sec. 1.5. (a) In counties that adopted a homestead
32 credit under IC 6-3.5-6-13 (before its repeal January 1, 2017), the
33 transition from the former taxes to the taxes governed under this article
34 shall include the transition of the homestead credit under IC 6-3.5-6-13
35 (before its repeal January 1, 2017) to a property tax relief rate under
36 IC 6-3.6-5 (before its expiration).

37 (b) To accomplish the transition under this section, the department
38 of local government finance shall determine the portion of the income
39 tax rate under IC 6-3.5-6-8 (before its repeal January 1, 2017) that is
40 attributable to the homestead credit approved under IC 6-3.5-6-13
41 (before its repeal January 1, 2017) and shall allocate that portion of the
42 income tax rate that is attributable to the homestead credit under

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1 IC 6-3.5-6-13 (before its repeal January 1, 2017) to the property tax
 2 relief rate under IC 6-3.6-5 (before its expiration).

3 (c) The department of local government finance shall notify each
 4 affected county of the rate that will be allocated to the property tax
 5 relief rate not later than July 1, 2016. In addition, the department of
 6 local government finance shall notify the state budget agency of the
 7 transition under this section.

8 (d) This section expires July 1, ~~2028~~: **2029**.

9 SECTION 77. IC 6-3.6-1-3, AS AMENDED BY P.L.68-2025,
 10 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2028]: Sec. 3. (a) Except to the extent that taxes imposed in
 12 a county under or determined under:

- 13 (1) IC 6-3.5-1.1 (repealed);
- 14 (2) IC 6-3.5-1.5 (repealed);
- 15 (3) IC 6-3.5-6 (repealed); or
- 16 (4) IC 6-3.5-7 (repealed);

17 are increased, decreased, or rescinded under this article, the total tax
 18 rate in effect in a county under the provisions described in subdivisions
 19 (1) through (4) on May 1, 2016, continue in effect after May 1, 2016,
 20 and shall be treated as taxes imposed under this article.

21 (b) Notwithstanding subsection (a) or any other provision of this
 22 article, a property tax relief rate imposed in a county under IC 6-3.6-5
 23 (before its expiration) expires December 31, ~~2027~~: **2028**.

24 SECTION 78. IC 6-3.6-2-2, AS AMENDED BY P.L.68-2025,
 25 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2029]: Sec. 2. "Adjusted gross income" has the meaning
 27 set forth in IC 6-3-1-3.5. However:

28 (1) in the case of a resident local taxpayer of Perry County, **or a**
 29 **resident of a municipality located in Perry County in the case**
 30 **of a local income tax imposed under IC 6-3.6-6-22**, the term
 31 does not include adjusted gross income described in
 32 IC 6-3.6-8-7; and

33 (2) in the case of a local taxpayer described in section 13(3) of
 34 this chapter, the term includes only that part of the individual's
 35 total income that:

36 (A) is apportioned to Indiana under IC 6-3-2-2.7 or
 37 IC 6-3-2-3.2; and

38 (B) is paid to the individual as compensation for services
 39 rendered in the county (or municipality in the case of a local
 40 income tax imposed under IC 6-3.6-6-22) as a team member
 41 or race team member.

42 SECTION 79. IC 6-3.6-2-7.4, AS AMENDED BY P.L.68-2025,

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1 SECTION 98, AND P.L.223-2025, SECTION 4, IS AMENDED TO
 2 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.4.
 3 "County with a single voting bloc" means a county that has a local
 4 income tax council in which one (1) city that is a member of the local
 5 income tax council or one (1) town that is a member of the local
 6 income tax council is allocated more than fifty percent (50%) of the
 7 total one hundred (100) votes allocated under IC 6-3.6-3-6(d). This
 8 section expires May 31, ~~2027~~. **2028**.

9 SECTION 80. IC 6-3.6-2-13, AS AMENDED BY P.L.68-2025,
 10 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2029]: Sec. 13. "Local taxpayer" means
 12 any of the following:

13 (1) As it relates to a particular county (or municipality in the
 14 case of a local income tax imposed under IC 6-3.6-6-22), an
 15 individual who resides in that county (or municipality in the case
 16 of a local income tax imposed under IC 6-3.6-6-22) on the date
 17 specified in IC 6-3.6-8-3.

18 (2) As it relates to a particular county, **and except for an**
 19 **individual described in subdivision (3)**, an individual who
 20 maintains the taxpayer's principal place of business or
 21 employment in that county on the date specified in IC 6-3.6-8-3
 22 and who does not reside on that same date in another county in
 23 Indiana in which a tax under this article is in effect. However, for
 24 purposes of a local income tax imposed **by a county under**
 25 **IC 6-3.6-6-2(b)(4) or imposed** by a municipality under
 26 IC 6-3.6-6-22, the term does not include an individual described
 27 in this subdivision.

28 (3) As it relates to a particular county **(or municipality in the**
 29 **case of a local income tax imposed under IC 6-3.6-6-22)**, **and**
 30 **only for purposes of a rate imposed by a county under**
 31 **~~6-3.6-6-2(b)(3)~~**; the term includes an individual who:

32 (A) has income apportioned to Indiana as:

- 33 (i) a team member under IC 6-3-2-2.7; or
- 34 (ii) a race team member under IC 6-3-2-3.2;

35 for services rendered in the county **(or municipality in the**
 36 **case of a local income tax imposed under IC 6-3.6-6-22)**;
 37 and

38 (B) is not described in subdivision (1). ~~or (2)~~.

39 SECTION 81. IC 6-3.6-2-15, AS AMENDED BY P.L.68-2025,
 40 SECTION 101, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2029]: Sec. 15. "Resident local taxpayer",
 42 as it relates to a particular county (or municipality in the case of a local

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1 income tax imposed under IC 6-3.6-6-22), means any local taxpayer
 2 who resides in that county (or municipality in the case of a local
 3 income tax imposed under IC 6-3.6-6-22) on the date specified in
 4 IC 6-3.6-8-3. **For purposes of a local income tax rate imposed by a**
 5 **county under IC 6-3.6-2(b)(4), the term means an individual who**
 6 **resides in the part of the county for which the county may impose**
 7 **a rate under IC 6-3.6-2(b)(4) on the date specified in IC 6-3.6-8-3.**

8 SECTION 82. IC 6-3.6-2-16.5 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2026]: **Sec. 16.5. "State GIS officer" has the**
 11 **meaning set forth in IC 4-23-7.3-10.**

12 SECTION 83. IC 6-3.6-3-2, AS AMENDED BY P.L.159-2020,
 13 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 2. (a) An adopting body or, if authorized by this
 15 article, another governmental entity that is not an adopting body, may
 16 take an action under this article only by ordinance, unless this article
 17 permits the action to be taken by resolution.

18 (b) The department of local government finance, in consultation
 19 with the department of state revenue, may make electronically available
 20 uniform notices, ordinances, and resolutions that an adopting body or
 21 other governmental entity may use to take an action under this article.
 22 ~~An adopting body or other governmental entity may submit a proposed~~
 23 ~~notice, ordinance, or resolution to the department of local government~~
 24 ~~finance for review not later than thirty (30) days prior to the date that~~
 25 ~~the adopting body or governing body intends to submit the notice,~~
 26 ~~adopting ordinance or resolution, and vote results on an ordinance or~~
 27 ~~resolution under subsection (d). If the adopting body or other~~
 28 ~~governmental entity wishes to submit the proposed notice, ordinance,~~
 29 ~~or resolution to the department of local government finance for review,~~
 30 ~~the adopting body or other governmental entity shall submit the~~
 31 ~~proposed notice, ordinance, or resolution to the department of local~~
 32 ~~government finance on the prescribed forms. The department of local~~
 33 ~~government finance shall provide to the submitting entity a~~
 34 ~~determination of the appropriateness of the proposed notice, ordinance,~~
 35 ~~or resolution, including recommended modifications, within thirty (30)~~
 36 ~~days of receiving the proposed notice, ordinance, or resolution.~~

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

39 (d) The department of local government finance shall prescribe the
 40 procedures to be used by the adopting body or governmental entity for
 41 submitting to the department the notice, the adopting ordinance or
 42 resolution, and the vote results on an ordinance or resolution. The

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1 department of local government finance shall notify the submitting
 2 entity within thirty (30) days after submission whether the department
 3 has received the necessary information required by the department. A
 4 final action taken by an adopting body or governmental entity under
 5 this article to impose a new tax or amend an existing tax is not effective
 6 until the department of local government finance notifies the adopting
 7 body or governmental entity that it has received the required
 8 information from the submitting entity.

9 **(e) Not later than July 1 of each calendar year, the county**
 10 **auditor shall certify to the department of local government finance**
 11 **and to the state GIS officer which taxing units comprise each**
 12 **taxing district in the county.**

13 SECTION 84. IC 6-3.6-3-2.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2027]: **Sec. 2.5. (a) As used in this section,**
 16 **"debt service obligations" refers to:**

17 **(1) the principal and interest payable during a calendar year**
 18 **on bonds;**

19 **(2) lease rental payments payable during a calendar year on**
 20 **leases; and**

21 **(3) any amount required under an agreement for bonds or**
 22 **leases to be deposited in a sinking fund or other reserve**
 23 **during a calendar year;**

24 **of a county, city, or town payable from local income taxes.**

25 **(b) Before August 1 of each calendar year, the fiscal officer of**
 26 **each county, city, and town shall provide the department of local**
 27 **government finance with the total amount of the county's, city's, or**
 28 **town's debt service obligations payable from local income tax**
 29 **revenues that will be due in the ensuing calendar year and, upon**
 30 **request by the department of local governing finance, any**
 31 **additional ensuing calendar years.**

32 **(c) The department of local government finance shall annually**
 33 **determine whether each county, city, or town with debt service**
 34 **obligations due in the ensuing year has timely submitted to the**
 35 **department of local government finance the information required**
 36 **under this section.**

37 SECTION 85. IC 6-3.6-3-3, AS AMENDED BY P.L.68-2025,
 38 SECTION 103, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2028]: **Sec. 3. (a) Except as provided in**
 40 **subsection (f), an ordinance adopted by a county under this article takes**
 41 **effect as provided in this section.**

42 **(b) An ordinance that adopts, increases, decreases, or rescinds a**

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1 tax or a tax rate takes effect as follows:

2 (1) An ordinance adopted on or before October 1 of a calendar

3 year shall take effect on January 1 of the calendar year that

4 immediately succeeds the year in which the ordinance is

5 adopted.

6 (2) An ordinance adopted after October 1 of a calendar year shall

7 take effect on January 1 of the second succeeding calendar year

8 following the year the ordinance is adopted.

9 However, an ordinance adopted to impose a tax rate under

10 IC 6-3.6-6-2(b)(3) or IC 6-3.6-6-2(b)(4) must be adopted on or before

11 October 1 of a calendar year.

12 (c) An ordinance that grants, increases, decreases, rescinds, or

13 changes a credit against the property tax liability of a taxpayer under

14 IC 6-3.6-5 (before its expiration) takes effect as follows:

15 (1) An ordinance adopted after December 31 of the immediately

16 preceding year and before November 2 of the current year takes

17 effect on January 1 of, and applies to property taxes first due and

18 payable in, the year immediately following the year in which the

19 ordinance is adopted.

20 (2) An ordinance adopted after November 1 of the current year

21 and before January 1 of the immediately succeeding year takes

22 effect on January 1 of, and applies to property taxes first due and

23 payable in, the year that follows the current year by two (2)

24 years.

25 This subsection expires December 31, ~~2027~~ **2028**.

26 (d) An ordinance that grants, increases, decreases, rescinds, or

27 changes a distribution or allocation of taxes takes effect as follows:

28 (1) An ordinance adopted on or before October 1 of a calendar

29 year shall take effect on January 1 of the calendar year that

30 immediately succeeds the year in which the ordinance is

31 adopted.

32 (2) An ordinance adopted after October 1 of a calendar year shall

33 take effect on January 1 of the second succeeding calendar year

34 following the year the ordinance is adopted.

35 (e) An ordinance not described in subsections (b) through (d) takes

36 effect as provided under IC 36 for other ordinances of the

37 governmental entity adopting the ordinance.

38 (f) An ordinance described in section 7(e) or 7.5(e) of this chapter

39 that changes a tax rate or changes the allocation of revenue received

40 from a tax rate does not take effect as provided under this section if the

41 county adopting body fails to meet the required deadlines for notice

42 described in section 7(e) or 7.5(e) of this chapter. If an ordinance does

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1 not take effect, the tax rate or allocation, as applicable, that is subject
2 to the proposed change in the ordinance shall be the lesser of the:

- 3 (1) applicable distribution schedule for the certified distribution
- 4 for the upcoming calendar year; or
- 5 (2) applicable distribution schedule for the certified distribution
- 6 for the current calendar year;

7 unless, or until, a subsequent ordinance is adopted and the required
8 deadlines for notice described in section 7(e) or 7.5(e) of this chapter
9 are met. This subsection expires January 1, 2025.

10 SECTION 86. IC 6-3.6-3-4, AS AMENDED BY P.L.68-2025,
11 SECTION 105, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2028]: Sec. 4. (a) Except for a tax rate that has
13 an expiration date, and except as provided in section 3(f) of this chapter
14 (before its expiration), a tax rate remains in effect until the effective
15 date of an ordinance that increases, decreases, or rescinds that tax rate.

16 (b) A tax rate may not be changed more than once each year under
17 this article.

18 (c) A local income tax expenditure tax rate that is imposed in a
19 county under IC 6-3.6-6 continues in effect after December 31, ~~2027;~~
20 **2028**, only if the adopting body adopts an ordinance to renew the
21 expenditure tax rate beginning January 1, ~~2028;~~ **2029**. **However, if**
22 **there are bonds or leases outstanding that are payable from a tax**
23 **imposed under IC 6-3.6-6, the expenditure tax rate for the county**
24 **beginning January 1, 2029, under IC 6-3.6-2(b)(1) shall be at**
25 **least the minimum tax rate necessary to produce one and**
26 **twenty-five hundredths (1.25) times the sum of the:**

- 27 (1) highest annual outstanding debt service;
- 28 (2) highest annual lease payments; and
- 29 (3) any amount required under the agreements for the bonds
- 30 or leases to be deposited in a sinking fund or other reserve;

31 **but only until the maturity date of those debt obligations.** An
32 ordinance under this subsection must be adopted by the adopting body
33 on or before October 1, ~~2027;~~ **2028**, as set forth in section 3(b)(1) of
34 this chapter. However, this subsection shall not be construed to prohibit
35 an adopting body that fails to adopt an ordinance to continue an
36 expenditure tax rate after December 31, ~~2027;~~ **2028**, from adopting an
37 ordinance under this article to impose, renew, or modify an expenditure
38 tax rate under IC 6-3.6-6 beginning January 1, ~~2029;~~ **2030**, or any year
39 thereafter.

40 SECTION 87. IC 6-3.6-3-5, AS AMENDED BY P.L.223-2025,
41 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 5. (a) The auditor of a county shall record all

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1 votes taken on ordinances presented for a vote under this article and
2 not more than ten (10) days after the vote, send a certified copy of the
3 results to:

- 4 (1) the commissioner of the department of state revenue; and
- 5 (2) the commissioner of the department of local government
6 finance;

7 in an electronic format approved by the commissioner of the
8 department of local government finance.

9 (b) Except as provided in subsection (c), this subsection applies
10 only to a county that has a local income tax council. The county auditor
11 may cease sending certified copies after the county auditor sends a
12 certified copy of results showing that members of the local income tax
13 council have cast a majority of the votes on the local income tax
14 council for or against the proposed ordinance.

15 (c) This subsection applies only to a county with a single voting
16 bloc that proposes to increase (but not decrease) a tax rate in the
17 county. The county auditor may cease sending certified copies of the
18 votes on the local income tax council voting as a whole under section
19 9.5 of this chapter after the county auditor sends a certified copy of
20 results showing that the individuals who sit on the fiscal bodies of the
21 county, cities, and towns that are members of the local income tax
22 council have cast a majority of the votes on the local income tax
23 council voting as a whole under section 9.5 of this chapter for or
24 against the proposed ordinance. This subsection expires May 31, ~~2027~~
25 **2028**.

26 SECTION 88. IC 6-3.6-3-5, AS AMENDED BY P.L.223-2025,
27 SECTION 5, AND AS AMENDED BY P.L.68-2025, SECTION 106,
28 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL
29 OF THE 2026 GENERAL ASSEMBLY, IS CORRECTED AND
30 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2028]:
31 Sec. 5. ~~(a)~~ The auditor of a county *(or the fiscal officer of a*
32 *municipality in the case of a local income tax imposed under*
33 *IC 6-3.6-6-22)* shall record all votes taken on ordinances presented for
34 a vote under this article and not more than ten (10) days after the vote,
35 send a certified copy of the results to:

- 36 (1) the commissioner of the department of state revenue; and
- 37 (2) the commissioner of the department of local government
38 finance;

39 in an electronic format approved by the commissioner of the
40 department of local government finance.

41 *(b) Except as provided in subsection (c), this subsection applies*
42 *only to a county that has a local income tax council. The county*

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1 auditor may cease sending certified copies after the county auditor
2 sends a certified copy of results showing that members of the local
3 income tax council have cast a majority of the votes on the local
4 income tax council for or against the proposed ordinance.

5 (c) This subsection applies only to a county with a single voting
6 bloc that proposes to increase (but not decrease) a tax rate in the
7 county. The county auditor may cease sending certified copies of the
8 votes on the local income tax council voting as a whole under section
9 9.5 of this chapter after the county auditor sends a certified copy of
10 results showing that the individuals who sit on the fiscal bodies of the
11 county, cities, and towns that are members of the local income tax
12 council have cast a majority of the votes on the local income tax
13 council voting as a whole under section 9.5 of this chapter for or
14 against the proposed ordinance. This subsection expires May 31, 2028.

15 SECTION 89. IC 6-3.6-3-6, AS AMENDED BY P.L.223-2025,
16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 6. (a) This section applies to a county in
18 which the county adopting body is a local income tax council.

19 (b) In the case of a city or town that lies within more than one (1)
20 county, the county auditor of each county shall base the allocations
21 required by subsections (d) and (e) on the population of that part of the
22 city or town that lies within the county for which the allocations are
23 being made.

24 (c) Each local income tax council has a total of one hundred (100)
25 votes.

26 (d) Each county, city, or town that is a member of a local income
27 tax council is allocated a percentage of the total one hundred (100)
28 votes that may be cast. The percentage that a city or town is allocated
29 for a year equals the same percentage that the population of the city or
30 town bears to the population of the county. The percentage that the
31 county is allocated for a year equals the same percentage that the
32 population of all areas in the county not located in a city or town bears
33 to the population of the county.

34 (e) This subsection applies only to a county with a single voting
35 bloc. Each individual who sits on the fiscal body of a county, city, or
36 town that is a member of the local income tax council is allocated for
37 a year the number of votes equal to the total number of votes allocated
38 to the particular county, city, or town under subsection (d) divided by
39 the number of members on the fiscal body of the county, city, or town.
40 This subsection expires May 31, 2027: **2028.**

41 (f) On or before January 1 of each year, the county auditor shall
42 certify to each member of the local income tax council the number of

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1 votes, rounded to the nearest one hundredth (0.01), each member has
2 for that year.

3 (g) This subsection applies only to a county with a single voting
4 bloc. On or before January 1 of each year, in addition to the
5 certification to each member of the local income tax council under
6 subsection (f), the county auditor shall certify to each individual who
7 sits on the fiscal body of each county, city, or town that is a member of
8 the local income tax council the number of votes, rounded to the
9 nearest one hundredth (0.01), each individual has under subsection (e)
10 for that year. This subsection expires May 31, ~~2027~~. **2028**.

11 SECTION 90. IC 6-3.6-3-8, AS AMENDED BY P.L.223-2025,
12 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 8. (a) This section applies to a county in
14 which the county adopting body is a local income tax council.

15 (b) Except as provided in subsection (e), any member of a local
16 income tax council may present an ordinance for passage. To do so, the
17 member must adopt a resolution to propose the ordinance to the local
18 income tax council and distribute a copy of the proposed ordinance to
19 the county auditor. The county auditor shall treat any proposed
20 ordinance distributed to the auditor under this section as a casting of all
21 that member's votes in favor of the proposed ordinance.

22 (c) Except as provided in subsection (f), the county auditor shall
23 deliver copies of a proposed ordinance the auditor receives to all
24 members of the local income tax council within ten (10) days after
25 receipt. Subject to subsection (d), once a member receives a proposed
26 ordinance from the county auditor, the member shall vote on it within
27 thirty (30) days after receipt.

28 (d) Except as provided in subsection (h), if, before the elapse of
29 thirty (30) days after receipt of a proposed ordinance, the county
30 auditor notifies the member that the members of the local income tax
31 council have cast a majority of the votes on the local income tax
32 council for or against the proposed ordinance the member need not
33 vote on the proposed ordinance.

34 (e) This subsection applies only to a county with a single voting
35 bloc that proposes to increase (but not decrease) a tax rate in the
36 county. The fiscal body of any county, city, or town that is a member
37 of a local income tax council may adopt a resolution to propose an
38 ordinance to increase a tax rate in the county to be voted on by the local
39 income tax council as a whole as required under section 9.5 of this
40 chapter and distribute a copy of the proposed ordinance to the county
41 auditor. The county auditor shall treat the vote tally on the resolution
42 adopted under this subsection for each individual who is a member of

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1 the fiscal body of the county, city, or town as the voting record for that
2 individual either for or against the ordinance being proposed for
3 consideration by the local income tax council as a whole under section
4 9.5 of this chapter. This subsection expires May 31, ~~2027~~. **2028**.

5 (f) This subsection applies only to a county with a single voting
6 bloc that proposes to increase (but not decrease) a tax rate in the
7 county. The county auditor shall deliver copies of a proposed ordinance
8 the auditor receives under subsection (e) to the fiscal officers of all
9 members of the local income tax council (other than the member
10 proposing the ordinance under subsection (e)) within ten (10) days
11 after receipt. Subject to subsection (h), once a member receives a
12 proposed ordinance from the county auditor, the member shall vote on
13 it within thirty (30) days after receipt. This subsection expires May 31,
14 ~~2027~~. **2028**.

15 (g) This subsection applies only to a county with a single voting
16 bloc that proposes to increase (but not decrease) a tax rate in the
17 county. The fiscal body of each county, city, or town voting on a
18 resolution to propose an ordinance under subsection (e), or voting on
19 a proposed ordinance being considered by the local income tax council
20 as a whole under section 9.5 of this chapter, must take a roll call vote
21 on the resolution or the proposed ordinance. If an individual who sits
22 on the fiscal body is absent from the meeting in which a vote is taken
23 or abstains from voting on the resolution or proposed ordinance, the
24 fiscal officer of the county, city, or town shall nevertheless consider
25 that individual's vote as a "no" vote against the resolution or the
26 proposed ordinance being considered, whichever is applicable, for
27 purposes of the vote tally under this section and shall note on the vote
28 tally that the individual's "no" vote is due to absence or abstention. The
29 fiscal body of each county, city, or town shall certify the roll call vote
30 on a resolution or a proposed ordinance, either for or against, to the
31 county auditor as set forth under this chapter. This subsection expires
32 May 31, ~~2027~~. **2028**.

33 (h) This subsection applies only to a county with a single voting
34 bloc that proposes to increase (but not decrease) a tax rate in the
35 county. If, before the elapse of thirty (30) days after receipt of a
36 proposed ordinance under subsection (e), the county auditor notifies
37 the member that the individuals who sit on the fiscal bodies of the
38 county, cities, and towns that are members of the local income tax
39 council have cast a majority of the votes on the local income tax
40 council for or against a proposed ordinance voting as a whole under
41 section 9.5 of this chapter, the member need not vote on the proposed
42 ordinance under subsection (e). This subsection expires May 31, ~~2027~~.

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1 **2028.**

2 SECTION 91. IC 6-3.6-3-9.5, AS AMENDED BY P.L.68-2025,
3 SECTION 111, AND P.L.223-2025, SECTION 8, IS AMENDED TO
4 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a)
5 This section applies to a county:

- 6 (1) in which the county adopting body is a local income tax
- 7 council;
- 8 (2) that is a county with a single voting bloc; and
- 9 (3) that proposes to increase a tax rate in the county.

10 However, the provisions under section 9 of this chapter shall apply to
11 a county described in subdivisions (1) and (2) that proposes to decrease
12 a tax rate in the county.

13 (b) A local income tax council described in subsection (a) must
14 vote as a whole to exercise its authority to increase a tax rate under this
15 article.

16 (c) A resolution passed by the fiscal body of a county, city, or town
17 that is a member of the local income tax council exercises the vote of
18 each individual who sits on the fiscal body of the county, city, or town
19 on the proposed ordinance, and the individual's vote may not be
20 changed during the year.

21 (d) This section expires May 31, ~~2027~~: **2028.**

22 SECTION 92. IC 6-3.6-3-12 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2028]: **Sec. 12. (a) This section applies to an**
25 **ordinance adopted under this article after June 30, 2028.**

26 (b) **This subsection applies only to an ordinance adopted**
27 **between January 1 and August 2 of a calendar year or October 2**
28 **and December 31 of a calendar year. If an adopting body adopts an**
29 **ordinance to impose a local income tax under:**

- 30 (1) IC 6-3.6-6-2(b)(1) through IC 6-3.6-6-2(b)(4);
- 31 (2) IC 6-3.6-6-22; or
- 32 (3) IC 6-3.6-7;

33 that exceeds the applicable maximum tax rate or applicable
34 maximum aggregate tax rate allowable pursuant to IC 6-3.6-6-2,
35 IC 6-3.6-6-22, or IC 6-3.6-7, the department of local government
36 finance shall notify the adopting body and county fiscal officer or
37 municipal fiscal officer, as applicable, not later than thirty (30)
38 days after the adopting body submits the ordinance and
39 information required under IC 6-3.6-6-2 that one (1) or more tax
40 rates exceed the maximum allowable tax rate.

41 (c) **This subsection applies only to an ordinance adopted**
42 **between January 1 and August 2 of a calendar year or October 2**

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1 and December 31 of a calendar year. Not later than thirty (30) days
2 after receiving a notification under subsection (b) from the
3 department of local government finance, the adopting body may
4 adopt an ordinance correcting the applicable tax rate or tax rates.

5 The following apply to an ordinance adopted under this subsection:

6 (1) Any statutory requirements for an ordinance that
7 otherwise apply to an ordinance adopted under this article
8 to impose a local income tax rate also apply to an ordinance
9 adopted under this subsection.

10 (2) If the tax rate or tax rates adopted in an ordinance
11 adopted under this subsection still exceed a maximum
12 allowable tax rate or maximum allowable aggregate tax rate,
13 the ordinance adopted under this subsection shall be
14 considered void and treated as if the adopting body did not
15 adopt any additional ordinance under this subsection.

16 (3) An ordinance adopted under this subsection has the same
17 effective date as the initial ordinance described in subsection
18 (b).

19 (d) If an adopting body adopts an ordinance between August
20 3 and October 1 of a calendar year to impose a local income tax
21 that exceeds a maximum allowable tax rate or rates, fails to adopt
22 an ordinance correcting the applicable tax rate or tax rates under
23 subsection (c), or, the ordinance is described in subsection (c)(2),
24 the tax rate or rates will be reduced according to the following:

25 (1) If a tax rate or tax rates imposed pursuant to
26 IC 6-3.6-6-2(b)(1) through IC 6-3.6-6-2(b)(4), IC 6-3.6-6-22,
27 or IC 6-3.6-7 exceed the maximum allowable rate specified
28 in IC 6-3.6-6-2(b)(1) through IC 6-3.6-6-2(b)(4),
29 IC 6-3.6-6-22, or IC 6-3.6-7, the tax rate or tax rates that
30 exceed the maximum allowable rate shall be reduced to the
31 maximum allowable rate without further action by the
32 adopting body.

33 (2) If the aggregate tax rates imposed pursuant to
34 IC 6-3.6-6-2(b)(1) through IC 6-3.6-6-2(b)(3) exceed the
35 maximum allowable aggregate rate in IC 6-3.6-6-2(c), the tax
36 rates shall be reduced without any further action by the
37 adopting body according to the following:

38 (A) Any portion of the aggregate tax rate that exceeds
39 the maximum allowable rate shall first be applied by
40 reducing the tax rate imposed under IC 6-3.6-6-2(b)(1),
41 but may not reduce the rate below the tax rate otherwise
42 required under this article.

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1 (B) Any remaining portion of the aggregate tax rate that
2 exceeds the maximum allowable rate after the reduction
3 in clause (A) shall be applied to reduce the tax rates
4 imposed under IC 6-3.6-6-2(b)(2) and IC 6-3.6-6-2(b)(3)
5 in proportion to the total rates imposed under
6 IC 6-3.6-6-2(b)(2) and IC 6-3.6-6-2(b)(3).

7 (3) If the tax rate or rates exceed both the maximum
8 allowable rate specified in IC 6-3.6-6-2(b)(1) through
9 IC 6-3.6-6-2(b)(3) and the maximum allowable aggregate tax
10 rate in IC 6-3.6-6-2(c), the tax rates shall first be reduced in
11 the manner set forth in subdivision (1) before application of
12 the reduction manner set forth in subdivision (2).

13 (4) Any tax rate reduction under this subsection has the same
14 effective date as the initial ordinance described in subsection
15 (b).

16 SECTION 93. IC 6-3.6-5-7, AS ADDED BY P.L.68-2025,
17 SECTION 116, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2028]: Sec. 7. This chapter expires December
19 31, ~~2027~~ 2028.

20 SECTION 94. IC 6-3.6-6-2, AS AMENDED BY P.L.68-2025,
21 SECTION 118, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2028]: Sec. 2. (a) This section applies to all
23 counties.

24 (b) The adopting body may by ordinance and subject to
25 subsections (c) through (e) impose one (1) or more of the following
26 component rates not to exceed a total expenditure tax rate under this
27 chapter of two and nine-tenths percent (2.9%) on the adjusted gross
28 income of taxpayers who reside in the county, **or, in the case of a team
29 member or race team member described in IC 6-3.6-2-13(3), on the
30 adjusted gross income earned as a team member or race team
31 member in the county:**

32 (1) A tax rate not to exceed one and two-tenths percent (1.2%)
33 for general purpose revenue for county services (as provided in
34 section 4 of this chapter), subject to subsection (c).

35 (2) A tax rate not to exceed four-tenths of one percent (0.4%) for
36 providers of fire protection ~~and~~ **or** emergency medical services
37 located within the county (as provided in section 4.3 of this
38 chapter), subject to subsection (c).

39 (3) A tax rate not to exceed two-tenths of one percent (0.2%) for
40 general purpose revenue for distribution to nonmunicipal civil
41 taxing units (excluding fire protection districts) located within
42 the county (as provided in section 4.5 of this chapter), subject to

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1 subsection (c).
 2 (4) A tax rate not to exceed one and two-tenths percent (1.2%)
 3 for general purpose revenue for municipal services for
 4 distribution to municipalities located within the county that are
 5 not eligible to adopt a municipal tax rate under section 22 of this
 6 chapter. ~~or that have made an election under section 23(b)(3) of~~
 7 ~~this chapter to be treated as such.~~ **The adopting body shall**
 8 **identify in the ordinance each taxing district in which the tax**
 9 **rate under this subdivision is imposed.**
 10 (c) The combined component rates imposed by an adopting body
 11 under subsection (b)(1) through (b)(3) shall not exceed one and
 12 seven-tenths percent (1.7%).
 13 (d) A tax rate adopted under subsection (b)(4) may only be
 14 imposed on taxpayers who do not reside in a municipality that is
 15 eligible to adopt a municipal tax rate under section 22 of this chapter.
 16 **In the case of a team member or race team member described in**
 17 **IC 6-3.6-2-13(3), a tax rate adopted under subsection (b)(4) may**
 18 **only be imposed on services performed as a team member or race**
 19 **team member at a location if the county could impose the tax rate**
 20 **on an individual residing at that location.**
 21 (e) ~~Beginning after December 31, 2030;~~ A tax rate imposed under
 22 subsection (b) ~~shall expire~~ **expires** on December 31, **2029, and on**
 23 **December 31** of each calendar year **thereafter**. An adopting body
 24 wishing to continue, increase, or decrease a tax rate ~~in~~ **for** the
 25 succeeding year must pass an ordinance to readopt a tax rate in
 26 accordance with IC 6-3.6-3-3. This subsection applies regardless of
 27 whether there is a modification in the tax rate or the component rates
 28 or the rates are unchanged from the previous year.
 29 (f) **Notwithstanding subsection (e) or any other provision of**
 30 **this article, if there are bonds, leases, or other obligations payable**
 31 **from a tax imposed under subsection (b)(1) or (b)(4), the**
 32 **expenditure tax rate for the county under subsection (b)(1) or**
 33 **(b)(4) for a calendar year shall be the minimum tax rate necessary**
 34 **to produce one and twenty-five hundredths (1.25) times the sum of**
 35 **the:**
 36 (1) **highest annual outstanding debt service;**
 37 (2) **highest annual lease payments; and**
 38 (3) **any amount required under the agreements for the bonds**
 39 **or leases to be deposited in a sinking fund or other reserve;**
 40 **for the calendar year payable from the applicable component rate.**
 41 SECTION 95. IC 6-3.6-6-3, AS AMENDED BY P.L.137-2024,
 42 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2026]: Sec. 3. (a) Revenue raised from a tax imposed under
 2 this chapter shall be treated as follows:

3 (1) To make the following distributions:

4 (A) If an ordinance described in section 2.5 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 2.5 of this chapter.

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

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

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

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

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

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

40 (3) After making the distributions described in subdivisions (1)
 41 and (2), the remaining revenue shall be treated as additional
 42 revenue (referred to as "additional revenue" in this chapter).

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1 Additional revenue may not be considered by the department of
 2 local government finance in determining:
 3 (A) any taxing unit's maximum permissible property tax
 4 levy limit under IC 6-1.1-18.5; or
 5 (B) the approved property tax rate for any fund.
 6 (b) In the case of a civil taxing unit that has pledged the tax from
 7 additional revenue for the payment of bonds, leases, or other
 8 obligations as reported by the civil taxing unit under IC 5-1-18, the
 9 adopting body may not, under section 4 of this chapter, reduce the
 10 proportional allocation of the additional revenue that was allocated in
 11 the preceding year if the reduction for that year would result in an
 12 amount less than the amount necessary for the payment of bonds,
 13 leases, or other obligations payable or required to be deposited in a
 14 sinking fund or other reserve in that year for the bonds, leases, or other
 15 obligations for which the tax from additional revenue has been pledged.
 16 To inform an adopting body with regard to allocations that affect the
 17 payment of bonds, leases, or other obligations, a taxing unit may
 18 provide the adopting body with information regarding any outstanding
 19 bonds, leases, or other obligations that are secured by additional
 20 revenue. The information must be provided before the date of the
 21 public hearing at which the adopting body may change the allocation
 22 of additional revenue under section 4 of this chapter.
 23 SECTION 96. IC 6-3.6-6-3.1, AS ADDED BY P.L.68-2025,
 24 SECTION 125, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2025 (RETROACTIVE)]: Sec. 3.1. (a) As used
 26 in this section, "homestead" has the meaning set forth in
 27 IC 6-1.1-12-37.
 28 (b) A county fiscal body may adopt an ordinance to impose a tax
 29 rate for the purpose of funding property tax homestead credits to reduce
 30 the property tax liability of taxpayers who own homesteads that are:
 31 (1) located in the county; and
 32 (2) eligible for a credit under IC 6-1.1-20.6-7.5 that limits the
 33 taxpayer's property tax liability for the property to one percent
 34 (1%).
 35 Revenue collected from a tax rate imposed under this section may only
 36 be used to fund replacement of the county's property tax levy. Property
 37 taxes imposed due to a referendum in which a majority of the voters in
 38 the taxing unit imposing the property taxes approved the property taxes
 39 are not eligible for a credit under this section.
 40 (c) The tax rate must be in increments of one-hundredth of one
 41 percent (0.01%) and may not exceed three-tenths of one percent
 42 (0.3%).

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1 (d) A tax imposed under this section shall be treated as property
2 taxes for all purposes. However, the department of local government
3 finance may not reduce:

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

6 (2) the approved property tax levy or rate for any fund;
7 by the amount of any credits granted under this chapter.

8 (e) The homestead credits shall be applied to the net property taxes
9 due on the homestead after the application of any credit granted under
10 IC 6-1.1, including any credit granted under IC 6-1.1-20.4 and
11 IC 6-1.1-20.6.

12 (f) The property tax credits must be applied uniformly to provide
13 a homestead credit for homesteads in the county.

14 (g) The county auditor shall allocate the amount of revenue
15 applied as tax credits under this section to the taxing units that imposed
16 the eligible property taxes against which the credits are applied.

17 (h) The department of local government finance shall assist county
18 fiscal bodies and county auditors in calculating credit percentages and
19 amounts.

20 (i) Notwithstanding any provision to the contrary in this chapter,
21 a tax imposed under this section:

22 (1) may be imposed on the adjusted gross income of taxpayers
23 before January 1, ~~2028~~; **2029**; and

24 (2) terminates and may not be imposed on the adjusted gross
25 income of taxpayers after December 31, ~~2027~~; **2028**.

26 (j) This section expires January 1, ~~2028~~; **2029**.

27 SECTION 97. IC 6-3.6-6-4, AS AMENDED BY P.L.68-2025,
28 SECTION 126, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2028]: Sec. 4. (a) General purpose revenue
30 raised from a tax rate under section 2(b)(1) of this chapter must be
31 distributed directly to the county. The money may be used by the
32 county fiscal body for any of the purposes of the county, including for:

- 33 (1) public safety, including funding for a PSAP;
- 34 (2) economic development purposes described in IC 6-3.6-10;
- 35 (3) acute care hospitals;
- 36 (4) correctional facilities and rehabilitation facilities; **and**
- 37 (5) county staff expenses of the state judicial system. ~~and~~
- 38 (6) ~~homestead property tax credits to fund replacement of the~~
39 ~~county's property tax levy.~~

40 (b) **Subject to sections 3 and 5 of this chapter**, the adopting body
41 shall, by ordinance, determine how general purpose revenue from a tax
42 under this chapter must be allocated in subsequent years. The

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1 allocations are subject to IC 6-3.6-11. The ordinance must be adopted
 2 as provided in IC 6-3.6-3 and takes effect and applies as specified in
 3 IC 6-3.6-3-3. The ordinance continues to apply thereafter until it is
 4 rescinded or modified.

5 SECTION 98. IC 6-3.6-6-4.3, AS ADDED BY P.L.68-2025,
 6 SECTION 127, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2028]: Sec. 4.3. (a) Revenue raised from a tax
 8 rate for fire protection ~~and or~~ emergency medical services under
 9 section 2(b)(2) of this chapter shall be distributed by the county ~~to~~
 10 **among the county and** each fire protection district, fire protection
 11 territory, and municipal fire department located within the county ~~that~~
 12 **provides fire protection, emergency medical services, or both in the**
 13 **county. Except as provided in subsection (b),** at the discretion of the
 14 county council, the county may distribute revenue raised from a tax rate
 15 for fire protection ~~and or~~ emergency medical services under section
 16 2(b)(2) of this chapter to township fire departments and volunteer fire
 17 departments **that provide fire protection, emergency medical**
 18 **services, or both in the county.**

19 (b) Revenue raised from a tax rate for fire protection and
 20 emergency medical services under section 2(b)(2) of this chapter shall
 21 be allocated to each fire protection district, fire protection territory,
 22 ~~municipal fire department, and, if applicable, township fire~~
 23 ~~departments and volunteer fire departments;~~ based on the following
 24 formula:

25 STEP ONE: For each provider of fire protection and emergency
 26 medical services located within the county that is eligible to
 27 receive revenue under this section; determine the population
 28 living within the service boundaries of the provider using the
 29 most recent federal decennial census:

30 STEP TWO: For each provider of fire protection and emergency
 31 medical services located within the county that is eligible to
 32 receive revenue under this section; determine the number of
 33 square miles within the service boundaries of the provider:

34 STEP THREE: For each provider of fire protection and
 35 emergency medical services located within the county that is
 36 eligible to receive revenue under this section; determine the
 37 product of:

- 38 (A) the STEP TWO amount; multiplied by
- 39 (B) twenty (20):

40 STEP FOUR: For each provider of fire protection and
 41 emergency medical services located within the county that is
 42 eligible to receive revenue under this section; determine the sum

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of:

- (A) the STEP ONE result; plus
- (B) the STEP THREE result.

STEP FIVE: Determine the sum total of the STEP FOUR results for each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section.

STEP SIX: The percentage of revenue that shall be distributed to each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section is equal to:

- (A) the STEP FOUR result for the provider; divided by
- (B) the STEP FIVE result.

(b) Subject to subsection (d), the county may determine the allocation method for revenue raised from a tax rate for fire protection or emergency medical services under section 2(b)(2) of this chapter. However, in determining the allocation method, the county shall, for each provider of fire protection, emergency medical services, or both in the county, consider the service boundaries of the provider and the population living within the service boundaries of the provider using the most recent federal decennial census.

(c) If at least fifty percent (50%) of fire runs made by a township fire department during the calendar year preceding by two (2) years the calendar year in which distribution amounts are being determined are carried out by full-time firefighters who receive a salary of at least thirty thousand dollars (\$30,000), the county shall distribute an allocation of revenue to the township fire department under this section.

(d) In the case of a county that provides fire protection, emergency medical services, or both in part of the county, but not the entire county, only the part of the county in which the county provides the fire protection, emergency medical services, or both are considered within the service boundaries for the county.

(e) For purposes of a distribution under this section, a distribution to a:

- (1) fire protection territory shall be made to the provider unit of the fire protection territory; and**
- (2) volunteer fire department shall be made to the taxing unit that is served by the volunteer fire department.**

(f) If the population living within the service boundaries of a provider cannot be determined using data from the United States

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1 **Census Bureau, the county may determine an estimated population**
 2 **based on income tax returns that report a residence located within**
 3 **the service boundaries of the provider. The county auditor shall**
 4 **provide the estimated population to the department of local**
 5 **government finance not later than July 15 of the calendar year that**
 6 **precedes the calendar year before the year in which the**
 7 **distribution is made. If the county auditor does not provide an**
 8 **estimated population under this subsection, the department of local**
 9 **government finance may use the most recent estimated population**
 10 **provided by the county auditor or the department of state revenue.**

11 SECTION 99. IC 6-3.6-6-4.5, AS AMENDED BY THE
 12 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
 13 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2028]: Sec. 4.5. (a) Revenue raised from a tax rate for
 15 nonmunicipal civil taxing units under section 2(b)(3) of this chapter
 16 may be distributed by the county to nonmunicipal civil taxing units
 17 subject to the provisions of this section.

18 (b) Subject to the maximum aggregate tax rate of not more than
 19 two-tenths of one percent (0.2%) under section 2(b)(3) of this chapter,
 20 the adopting body may adopt a tax rate for each type of nonmunicipal
 21 civil taxing unit, which may not exceed more than five-hundredths of
 22 one percent (0.05%) for any given unit type. The revenue raised from
 23 a tax rate for a specific type of nonmunicipal civil taxing unit shall be
 24 allocated to all nonmunicipal civil taxing units of that same type
 25 located within the county on a pro rata per capita basis, subject to
 26 ~~subsection (e): subsections (e) and (h).~~

27 (c) A county solid waste management district (as defined in
 28 IC 13-11-2-47) or a joint solid waste management district (as defined
 29 in IC 13-11-2-113) is not an eligible nonmunicipal civil taxing unit for
 30 the purpose of receiving an allocation of general purpose revenue under
 31 this chapter unless a majority of the members of each of the county
 32 fiscal bodies of the counties within the district passes a resolution
 33 approving the distribution.

34 (d) A resolution passed by a county fiscal body under subsection
 35 (c) may:

- 36 (1) expire on a date specified in the resolution; or
- 37 (2) remain in effect until the county fiscal body revokes or
- 38 rescinds the resolution.

39 (e) A nonmunicipal civil taxing unit wishing to receive a share of
 40 revenue under this section in a year must adopt a resolution requesting
 41 the distribution from the county and must provide a certified copy of
 42 the resolution to the adopting body **and the state board of accounts**

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1 not later than July 1 of the year immediately preceding the distribution
 2 year. Not later than August 1 of the year immediately preceding the
 3 distribution year, the adopting body shall hold a public hearing on the
 4 resolution requesting the distribution and provide the public with
 5 notice of the time and place where the public hearing will be held. The
 6 notice must be given in accordance with IC 5-3-1 and include a
 7 description of the resolution requesting the distribution from the
 8 county.

9 (f) If a nonmunicipal civil taxing unit adopts a resolution under
 10 ~~this subsection~~ **subsection (e)** and provides the resolution to the
 11 adopting body as set forth in ~~this that~~ subsection, the county shall
 12 distribute to the nonmunicipal civil taxing unit an amount of revenue
 13 raised from the tax rate under section 2(b)(3) of this chapter for the
 14 distribution year as set forth in subsection ~~(f)~~ **(g)**.

15 (g) If one (1) or more, but not all, nonmunicipal civil taxing units
 16 adopt a resolution under subsection (e) requesting a distribution in a
 17 given year, the county may either distribute the total amount of revenue
 18 raised from the tax rate under section 2(b)(3) of this chapter to only
 19 those nonmunicipal civil taxing units that have provided a resolution
 20 request, or the county may distribute the total amount of revenue raised
 21 from a tax rate under section 2(b)(3) of this chapter to all nonmunicipal
 22 civil taxing units as set forth in this section. If no nonmunicipal civil
 23 taxing units adopt a resolution to request a distribution in a given year,
 24 the county may retain the revenue raised from a tax rate for
 25 nonmunicipal civil taxing units for that year and use the revenue as
 26 general purpose revenue for the county under section 4 of this chapter.

27 **(h) If the population living within one (1) or more**
 28 **nonmunicipal civil taxing units cannot be determined using data**
 29 **from the United States Census Bureau, the county may determine**
 30 **an estimated population based on income tax returns that report**
 31 **a residence located within the boundaries of the nonmunicipal civil**
 32 **taxing units. The county auditor shall provide the estimated**
 33 **population to the department of local government finance no later**
 34 **than July 15 of the calendar year that precedes the calendar year**
 35 **before the year in which the distribution is made. If the county**
 36 **auditor does not provide an estimated population under this**
 37 **subsection, the department of local government finance may use**
 38 **the most recent estimated population provided by the county**
 39 **auditor or the department of state revenue.**

40 SECTION 100. IC 6-3.6-6-6.1, AS AMENDED BY THE
 41 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
 42 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2028]; Sec. 6.1. (a) Revenue raised from a tax rate for certain
 2 cities and towns under section 2(b)(4) of this chapter ~~may~~ **shall** be
 3 distributed by the county ~~to those cities and towns~~ subject to the
 4 provisions of this section **and according to the following formula:**

5 **STEP ONE: Determine the population of each city and town**
 6 **located in the county, excluding the population of any**
 7 **municipality that:**

8 (A) is eligible to impose a local income tax under section
 9 22 of this chapter; and

10 (B) did not make an election under section 23(b)(3) of
 11 this chapter.

12 **STEP TWO: Determine the aggregate sum of the STEP ONE**
 13 **results.**

14 **STEP THREE: Determine the sum of:**

15 (A) the STEP TWO result; plus

16 (B) the population of the unincorporated area of the
 17 county.

18 **STEP FOUR: Divide the STEP TWO result by the STEP**
 19 **THREE result.**

20 **STEP FIVE: Multiply the STEP FOUR result by one and**
 21 **five-tenths (1.5), expressed as a percentage.**

22 **STEP SIX: Multiple the STEP FIVE result by the total**
 23 **amount of revenue raised from the tax rate imposed under**
 24 **section 2(b)(4) of this chapter.**

25 **STEP SEVEN: For each city and town located in the county**
 26 **that adopted a resolution under subsection (d) for the year,**
 27 **excluding any municipality that is eligible to impose a local**
 28 **income tax under section 22 of this chapter and did not make**
 29 **an election under section 23(b)(3) of this chapter, divide:**

30 (A) the STEP ONE result for the city or town; by

31 (B) the STEP TWO result.

32 **STEP EIGHT: To determine the amount to be allocated to**
 33 **each city and town located in the county that adopted a**
 34 **resolution under subsection (d) for the year, excluding any**
 35 **municipality that is eligible to impose a local income tax**
 36 **under section 22 of this chapter and did not make an election**
 37 **under section 23(b)(3) of this chapter, multiply:**

38 (A) the STEP SEVEN result for the city or town; by

39 (B) the STEP SIX result.

40 **STEP NINE: Determine the aggregate sum of the STEP**
 41 **EIGHT results for each city and town located in the county**
 42 **that adopted a resolution under subsection (d) for the year,**

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1 **excluding any municipality that is eligible to impose a local**
 2 **income tax under section 22 of this chapter and did not make**
 3 **an election under section 23(b)(3) of this chapter.**
 4 **STEP TEN: Determine the result of:**
 5 **(A) the total amount of revenue raised from the tax rate**
 6 **imposed under section 2(b)(4) of this chapter; minus**
 7 **(B) the STEP SIX result.**
 8 **STEP ELEVEN: Determine the result of:**
 9 **(A) the STEP SIX result; minus**
 10 **(B) the STEP NINE result.**
 11 **STEP TWELVE: To determine the amount to be allocated**
 12 **to the county, determine the sum of:**
 13 **(A) the STEP TEN result; plus**
 14 **(B) the STEP ELEVEN result.**
 15 (b) Subject to subsection (g), the revenue raised from a tax rate
 16 under section 2(b)(4) of this chapter shall be allocated to the cities and
 17 towns based on the population of the city or the population of the town;
 18 whichever is applicable, compared to the population of all the cities or
 19 the population of all the towns, whichever is applicable, that are
 20 eligible for a distribution; subject to subsection (d): For purposes of this
 21 determination, section, if the boundaries of a city or town are located
 22 in more than one (1) county, only the portion of the population of the
 23 city or town that is located within the county imposing the tax rate
 24 under section 2(b)(4) of this chapter shall be considered.
 25 (c) The money may be used by the city or town fiscal body for any
 26 of the purposes of the city or town, including public safety (as defined
 27 in IC 6-3.6-2-14) and economic development purposes described in
 28 IC 6-3.6-10. The city or town fiscal body may pledge its general
 29 purpose revenue to the payment of bonds or to lease payments as set
 30 forth in this chapter.
 31 (d) An eligible city or town wishing to receive a share of revenue
 32 under this section in a year must adopt a resolution requesting the
 33 distribution from the county and must provide a certified copy of the
 34 resolution to the adopting body **and the state board of accounts** not
 35 later than July 1 of the year immediately preceding the distribution
 36 year. Not later than August 1 of the year immediately preceding the
 37 distribution year, the adopting body shall hold a public hearing on the
 38 resolution requesting the distribution and provide the public with
 39 notice of the time and place where the public hearing will be held. The
 40 notice must be given in accordance with IC 5-3-1 and include a
 41 description of the resolution requesting the distribution from the
 42 county.

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1 (e) Subject to subsection (g); If an eligible city or town adopts a
 2 resolution under this subsection (d) and provides the resolution to the
 3 adopting body as set forth in this subsection (d), the county shall
 4 distribute to the eligible city or town unit an amount of revenue raised
 5 from the tax rate under section 2(b)(4) of this chapter for the
 6 distribution year as set forth in subsection (f): **(a). If no eligible city or**
 7 **town adopts a resolution to request a distribution in a given year,**
 8 **the county may retain all of the revenue raised from a tax rate for**
 9 **that year.**

10 (f) The county may use any money received under this section
 11 for the purposes described in section 4 of this chapter.

12 (f) Subject to subsection (g); if one (1) or more; but not all; eligible
 13 cities or towns adopt a resolution under subsection (d) requesting a
 14 distribution in a given year, the county may either distribute the total
 15 amount of revenue raised from the tax rate under section 2(b)(4) of this
 16 chapter to only those eligible cities or towns that have provided a
 17 resolution request; or the county may distribute the total amount of
 18 revenue raised from a tax rate under section 2(b)(4) of this chapter to
 19 all eligible cities or towns as set forth in this section. If no eligible city
 20 or town adopts a resolution to request a distribution in a given year, the
 21 county may retain the revenue raised from a tax rate for the eligible city
 22 or town for that year and use the revenue as general purpose revenue
 23 for the county under section 4 of this chapter.

24 (g) Notwithstanding any provision to the contrary in this section;
 25 if an adopting body that imposes a tax rate of one and two-tenths
 26 percent (1.2%) under section 2(b)(1) of this chapter subsequently
 27 adopts an ordinance to concurrently impose a tax rate under section
 28 2(b)(4) of this chapter:

29 (1) seventy-five percent (75%) of the revenue received from the
 30 tax rate imposed under section 2(b)(4) of this chapter shall be
 31 retained by the county and may be used for the purposes
 32 described in section 4 of this chapter; and

33 (2) twenty-five percent (25%) of the revenue received from the
 34 tax rate imposed under section 2(b)(4) of this chapter shall be
 35 distributed among the eligible cities and towns as set forth in this
 36 section and may be used for the purposes set forth in this section.

37 However, the adopting body may, by ordinance, determine to allocate
 38 any percentage of the revenue that would otherwise be retained by the
 39 county under subdivision (1) to instead be allocated among the eligible
 40 cities and towns under subdivision (2):

41 SECTION 101. IC 6-3.6-6-21.3, AS AMENDED BY P.L.68-2025,
 42 SECTION 146, IS AMENDED TO READ AS FOLLOWS

HB 1210—LS 6805/DI 134



1 [EFFECTIVE JULY 1, 2028]: Sec. 21.3. (a) This section applies to
 2 distributions of revenue before January 1, ~~2028~~ **2029**. This section:

3 (1) does not apply to:

4 (A) distributions made under this chapter to a civil taxing
 5 unit for fire protection services within a fire protection
 6 territory established under IC 36-8-19; or

7 (B) distributions of revenue under section 9 of this chapter
 8 (before its repeal); and

9 (2) applies only to the following:

10 (A) Any allocation or distribution of revenue under section
 11 3(a)(2) of this chapter (as in effect before July 1, ~~2027~~
 12 **2028**) that is made on the basis of property tax levies in
 13 counties that formerly imposed a tax under IC 6-3.5-1.1
 14 (before its repeal on January 1, 2017).

15 (B) Any allocation or distribution of revenue under section
 16 3(a)(3) of this chapter (as in effect before July 1, ~~2027~~
 17 **2028**) that is made on the basis of property tax levies in
 18 counties that formerly imposed a tax under IC 6-3.5-6
 19 (before its repeal on January 1, 2017).

20 (b) Subject to subsection (a), if two (2) or more:

21 (1) school corporations; or

22 (2) civil taxing units;

23 of an adopting county merge or consolidate to form a single school
 24 corporation or civil taxing unit, the school corporation or civil taxing
 25 unit that is in existence on January 1 of the current year is entitled to
 26 the combined pro rata distribution of the revenue under section 3(a)(2)
 27 or 3(a)(3) (as in effect before July 1, ~~2027~~ **2028**) of this chapter (as
 28 appropriate) allocated to each applicable school corporation or civil
 29 taxing unit in existence on January 1 of the immediately preceding
 30 calendar year prior to the merger or consolidation.

31 (c) The department of local government finance shall make
 32 adjustments to civil taxing units in accordance with IC 6-1.1-18.5-7.

33 SECTION 102. IC 6-3.6-6-22, AS ADDED BY P.L.68-2025,
 34 SECTION 147, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2028]: Sec. 22. (a) As used in this section,
 36 "municipality" means only a city or town that:

37 (1) has a population of three thousand five hundred (3,500) or
 38 more; and

39 (2) in the case of a city or town whose population decreased in
 40 the most recent federal decennial census from three thousand
 41 five hundred (3,500) or more to less than three thousand five
 42 hundred (3,500), has elected by ordinance to continue to use its

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1 previous population of three thousand five hundred (3,500) or
 2 more as set forth in section 23(b)(2) of this chapter for purposes
 3 of the allocation determination under section 6.1 of this chapter.
 4 The term does not include a city or town that has made an election
 5 under section 23(b)(3) of this chapter. **In addition, in the case of a**
 6 **consolidated city, an included town that is part of the consolidated**
 7 **city under IC 36-3-1 is not a separate municipality for purposes of**
 8 **this chapter.**
 9 (b) Beginning after December 31, ~~2027~~, **2028**, the fiscal body of
 10 a municipality may by ordinance and subject to subsection (e), impose
 11 a local income tax rate on the adjusted gross income of local taxpayers
 12 in the municipality that does not exceed one and two-tenths percent
 13 (1.2%).
 14 (c) The following apply if a municipality imposes a local income
 15 tax rate under this section:
 16 (1) A local income tax rate imposed by a municipality under this
 17 section applies only to local taxpayers within the territory of the
 18 municipality.
 19 (2) The local income tax is imposed in addition to a tax imposed
 20 by the county in which the municipality is located in accordance
 21 with IC 6-3.6-4-1(a) and IC 6-3.6-4-1(c).
 22 (3) The following provisions of this article apply to a local
 23 income tax rate imposed by a municipality under subsection (b):
 24 (A) IC 6-3.6-3 (adoption of the tax), including the effective
 25 date of an ordinance under IC 6-3.6-3-3.3.
 26 (B) IC 6-3.6-4 (imposition of the tax), except that
 27 IC 6-3.6-4-2 and IC 6-3.6-4-3 do not apply.
 28 (C) IC 6-3.6-8 (administration of the tax).
 29 (4) A local income tax rate imposed by a municipality shall
 30 apply to ~~professional athletes who compete in the municipality;~~
 31 ~~unless exempted under IC 6-3-2-27.5 or other provision of law;~~
 32 **team members and race team members described in**
 33 **IC 6-3.6-2-13(3) on the income derived from services**
 34 **performed as a team member or race team member in the**
 35 **municipality.**
 36 (d) The amount of the tax revenue that is from the local income tax
 37 rate imposed under this section and that is collected for a calendar year
 38 shall be treated as general purpose revenue and must be distributed to
 39 the fiscal officer of the municipality that imposed the tax before July 1
 40 of the next calendar year.
 41 (e) ~~Beginning after December 31, 2030,~~ A tax rate imposed under
 42 subsection (b) ~~shall expire~~ **expires** on December 31, **2029, and on**

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1 **December 31** of each calendar year **thereafter**. A municipality
 2 wishing to continue, increase, or decrease a tax rate ~~in~~ **for** the
 3 succeeding year must pass an ordinance to readopt a tax rate in
 4 accordance with IC 6-3.6-3-3.3. **However, if there are bonds, leases,**
 5 **or other obligations payable from a tax imposed under subsection**
 6 **(b) that remain outstanding and the municipality fails to adopt an**
 7 **ordinance to continue the expenditure tax rate under this**
 8 **subsection, the expenditure tax rate for the municipality for the**
 9 **succeeding year, or until the maturity date of those debt**
 10 **obligations, whichever is sooner, shall be the minimum tax rate**
 11 **necessary to produce one and twenty-five hundredths (1.25) times**
 12 **the sum of:**

- 13 (1) the highest annual outstanding debt service;
- 14 (2) the highest annual lease payments; and
- 15 (3) any amount required under the agreements for the bonds
- 16 or leases to be deposited in a sinking fund or other reserve;
- 17 **for the year.** This subsection applies regardless of whether there is a
- 18 modification in the tax rate or the rate is unchanged from the previous
- 19 year.

20 (f) A municipality that imposes a local income tax rate under
 21 this section shall work with the county to provide the geographic
 22 information prescribed by the state GIS officer to the state GIS
 23 officer. The required information must be submitted to the state
 24 GIS officer in the manner prescribed by the state GIS officer not
 25 later than August 1 each year.

26 SECTION 103. IC 6-3.6-6-23, AS ADDED BY P.L.68-2025,
 27 SECTION 148, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2028]: Sec. 23. (a) This section applies in
 29 determining the population of a city or town for the purposes of this
 30 chapter.

31 (b) The following apply:

32 (1) Except as provided in subdivisions (2) and (3), the
 33 population of a city or town is the population of the city or town
 34 that is reported by the 2020 federal decennial census.

35 (2) Beginning after ~~2030~~, **2032**, if the population of a city or
 36 town

37 (A) increases from a population of less than three thousand
 38 five hundred (3,500); as reported by the immediately
 39 preceding federal decennial census; to a population of three
 40 thousand five hundred (3,500) or more; as reported by the
 41 most recent federal decennial census; or, if applicable, any
 42 corrected population count (as defined in IC 1-1-3.5-1.5)

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1 issued for the city or town in the year succeeding the most
 2 recent federal decennial census; or
 3 (B) decreases from a population of three thousand five
 4 hundred (3,500) or more, as reported by the immediately
 5 preceding federal decennial census, to a population of less
 6 than three thousand five hundred (3,500), as reported by the
 7 most recent federal decennial census, or, if applicable, any
 8 corrected population count (as defined in IC 1-1-3.5-1.5)
 9 issued for the city or town in the year succeeding the most
 10 recent federal decennial census, the fiscal body of the city or
 11 town may adopt an ordinance on or before September 1 of
 12 the calendar year ~~immediately succeeding~~ **two (2) years**
 13 **after** the most recent federal decennial census to continue
 14 to use the population of the city or town as reported by the
 15 immediately preceding federal decennial census and the
 16 resulting determination for the city or town under section 22
 17 of this chapter, notwithstanding the increase or decrease in
 18 its population as reported by the most recent federal
 19 decennial census as described in this subdivision. An
 20 ordinance adopted under this subdivision shall take effect
 21 on January 1 of the calendar year that immediately succeeds
 22 the year in which the ordinance is adopted. The fiscal
 23 officer of the city or town shall provide a certified copy of
 24 an ordinance adopted under this subdivision to the
 25 department of local government finance.

26 (3) This subdivision applies only to cities and towns with a
 27 population of ~~more than~~ three thousand five hundred (3,500) **or**
 28 **more** but less than seven thousand (7,000). Notwithstanding any
 29 other provision, a fiscal body of a city or town may adopt an
 30 ordinance to elect to be treated as if the city's or town's
 31 population is less than three thousand five hundred (3,500) for
 32 purposes of a county local income tax rate and distribution under
 33 this chapter. An ordinance adopted under this subdivision shall
 34 take effect on January 1 of the calendar year that immediately
 35 succeeds the year in which the ordinance is adopted. The fiscal
 36 officer of the city or town shall provide a certified copy of an
 37 ordinance adopted under this subdivision to the department of
 38 local government finance. An ordinance adopted by a city or
 39 town under this subdivision is not revocable and shall ~~not expire~~
 40 ~~following the next federal decennial census:~~ **expire December**
 41 **31, 2032.**

42 SECTION 104. IC 6-3.6-7-0.5 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2029]: **Sec. 0.5. For taxable years**
3 **beginning after December 31, 2028, a tax rate imposed by a county**
4 **under this chapter may be imposed on a local taxpayer only if the**
5 **county could impose the tax rates in IC 6-3.6-2(b)(1) through**
6 **IC 6-3.6-2(b)(3) on the local taxpayer.**

7 SECTION 105. IC 6-3.6-7-9, AS AMENDED BY P.L.68-2025,
8 SECTION 149, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2028]: Sec. 9. (a) This section applies only to
10 Hancock County.

11 (b) The county fiscal body may, by ordinance, allocate part of the
12 tax rate imposed under IC 6-3.6-5 (before its expiration), not to exceed
13 a tax rate of fifteen hundredths percent (0.15%), to a property tax credit
14 against the property tax liability imposed for public libraries in the
15 county, if all territory in the county is included in a library district. The
16 county treasurer shall establish a library property tax replacement fund
17 to be used only for the purposes described in this section. Tax revenues
18 derived from the part of the tax rate imposed under IC 6-3.6-5 (before
19 its expiration) that is designated for property tax replacement credits
20 under this section shall be deposited in the library property tax
21 replacement fund. Any interest earned on money in the library property
22 tax replacement fund shall be credited to the library property tax
23 replacement fund.

24 (c) The amount of property tax replacement credits that each
25 public library in the county is entitled to receive during a calendar year
26 under this section (before the expiration of IC 6-3.6-5) equals the lesser
27 of:

- 28 (1) the product of:
 - 29 (A) the amount of revenue deposited by the county auditor
 - 30 in the library property tax replacement fund; multiplied by
 - 31 (B) a fraction described as follows:
 - 32 (i) The numerator of the fraction equals the sum of the
 - 33 total property taxes that would have been collected by
 - 34 the public library during the previous calendar year
 - 35 from taxpayers located within the library district if the
 - 36 property tax replacement under this section had not
 - 37 been in effect.
 - 38 (ii) The denominator of the fraction equals the sum of
 - 39 the total property taxes that would have been collected
 - 40 during the previous year from taxpayers located within
 - 41 the county by all public libraries that are eligible to
 - 42 receive property tax replacement credits under this

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1 section if the property tax replacement under this
 2 section had not been in effect; or
 3 (2) the total property taxes that would otherwise be collected by
 4 the public library for the calendar year if the property tax
 5 replacement credit under this section were not in effect.

6 The department of local government finance shall make any
 7 adjustments necessary to account for the expansion of a library district.
 8 However, a public library is eligible to receive property tax
 9 replacement credits under this section only if it has entered into
 10 reciprocal borrowing agreements with all other public libraries in the
 11 county. If the total amount of tax revenue deposited by the county
 12 auditor in the library property tax replacement fund for a calendar year
 13 exceeds the total property tax liability that would otherwise be imposed
 14 for public libraries in the county for the year, the excess must remain
 15 in the library property tax replacement fund and may be used for library
 16 property tax replacement purposes in the following calendar year.

17 (d) A public library receiving property tax replacement credits
 18 under this section shall allocate the credits among each fund for which
 19 a distinct property tax levy is imposed in proportion to the property
 20 taxes levied for each fund. However, if a public library did not impose
 21 a property tax levy during the previous calendar year or did not impose
 22 a property tax levy for a particular fund during the previous calendar
 23 year, but the public library is imposing a property tax levy in the
 24 current calendar year or is imposing a property tax levy for the
 25 particular fund in the current calendar year, the department of local
 26 government finance shall adjust the amount of property tax
 27 replacement credits allocated among the various funds of the public
 28 library and shall provide the adjustment to the county auditor. If a
 29 public library receiving property tax replacement credits under this
 30 section does not impose a property tax levy for a particular fund that is
 31 first due and payable in a calendar year in which the property tax
 32 replacement credits are being distributed, the public library is not
 33 required to allocate to that fund a part of the property tax replacement
 34 credits to be distributed to the public library. Notwithstanding
 35 IC 6-1.1-20-1.1(a)(1), a public library that receives property tax
 36 replacement credits under this section is subject to the procedures for
 37 the issuance of bonds set forth in IC 6-1.1-20.

38 (e) A public library shall treat property tax replacement credits
 39 received during a particular calendar year under this section as a part
 40 of the public library's property tax levy for each fund for that same
 41 calendar year for purposes of fixing the public library's budget and for
 42 purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

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1 (f) For the purpose of allocating tax revenue under IC 6-3.6-6 and
2 computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the
3 property tax replacement credits that are received under this section
4 shall be treated as though they were property taxes that were due and
5 payable during that same calendar year.

6 (g) **The county fiscal body shall adopt a resolution to allow a
7 one (1) time transfer to be made after December 31, 2028, but not
8 later than July 1, 2029, of money from the library property tax
9 replacement fund in an amount equal to the balance of the fund as
10 of December 31, 2028, to be allocated between the:**

11 (1) **Hancock County Public Library for deposit in the general
12 fund; and**

13 (2) **Fortville Public Library for deposit in the general fund.**

14 **The amount shall be allocated between the Hancock County Public
15 Library and Fortville Public Library based on each library's
16 proportional share of the population in each library district
17 compared to the total population in both library districts, based on
18 the most recent federal decennial census. After the county fiscal
19 body adopts a resolution under this subsection, before the transfer
20 may be made, and not later than July 1, 2029, the Hancock County
21 Public Library and Fortville Public Library shall each adopt a
22 substantially similar resolution requesting that the transfer be
23 made and provide certified copies to the county fiscal body. Upon
24 receiving the certified copies, the county fiscal body shall make the
25 transfer under this subsection.**

26 SECTION 106. IC 6-3.6-7-14, AS AMENDED BY P.L.38-2021,
27 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 UPON PASSAGE]: Sec. 14. (a) This section applies only to Marshall
29 County.

30 (b) The county fiscal body may impose a tax on the adjusted gross
31 income of local taxpayers at a tax rate that does not exceed the lesser
32 of the following:

33 (1) Twenty-five hundredths percent (0.25%).

34 (2) The rate necessary to carry out the purposes described in
35 subsection (c).

36 (c) Revenue raised from a tax under this section may be used only
37 for the following purposes:

38 (1) To finance, construct, acquire, improve, renovate, or equip:

39 (A) jail facilities;

40 (B) juvenile court, detention, and probation facilities;

41 (C) other criminal justice facilities; and

42 (D) related buildings and parking facilities;

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1 located in the county, including costs related to the demolition
 2 of existing buildings and the acquisition of land.
 3 (2) Repay bonds issued or leases entered into for the purposes
 4 described in subdivision (1).
 5 (d) The tax imposed under this section may be imposed only until
 6 the last of the following dates:
 7 (1) The date on which the purposes described in subsection
 8 (c)(1) are completed.
 9 (2) The date on which the last of any bonds issued (including any
 10 refunding bonds) or leases described in subsection (c)(2) are
 11 fully paid.
 12 The term of the bonds issued (including any refunding bonds) or a
 13 lease entered into under subsection (c)(2) may not exceed twenty (20)
 14 years.
 15 (e) Money accumulated from the tax under this section after the
 16 tax imposed by this section is terminated shall be transferred to the
 17 county jail fund to be established under subsection (f).
 18 (f) The county auditor shall establish a county jail fund that shall
 19 only be used for:
 20 (1) maintenance of a jail facility; and
 21 (2) **costs otherwise incurred for the operation of the county**
 22 **jail.**
 23 **Money in the county jail fund** shall not be used to issue new debt or
 24 enter into leases, notwithstanding any other sections of this chapter.
 25 SECTION 107. IC 6-3.6-7-27, AS AMENDED BY P.L.197-2016,
 26 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2028]: Sec. 27. (a) This section applies only to an
 28 eligible county, as defined in IC 8-25-1-4.
 29 (b) If the voters of the county approve a local public question
 30 under IC 8-25-2, the fiscal body of the county may adopt an ordinance
 31 to provide for the use of local income tax revenues ~~attributable to an~~
 32 ~~additional tax rate imposed under IC 6-3-6-6~~ to fund a public
 33 transportation project under IC 8-25. However, a county fiscal body
 34 shall adopt an ordinance under this subsection if required by
 35 IC 8-25-6-10 to impose an additional tax rate on the county taxpayers
 36 (as defined in IC 8-24-1-10) who reside in a township in which the
 37 voters approve a public transportation project in a local public question
 38 held under IC 8-25-6. An ordinance adopted under this subsection must
 39 specify an additional tax rate to be imposed in the county (or township
 40 in the case of an additional rate required by IC 8-25-6-10) of at least
 41 one-tenth percent (0.1%), but not more than twenty-five hundredths
 42 percent (0.25%). If an ordinance is adopted under this subsection, the

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1 amount of the certified distribution attributable to the additional tax
2 rate imposed under this subsection must be:

- 3 (1) retained by the county auditor;
- 4 (2) deposited in the county public transportation project fund
5 established under IC 8-25-3-7; and
- 6 (3) used for the purpose provided in this subsection instead of as
7 a property tax replacement distribution.

8 (c) The tax rate under this section ~~plus the tax rate under~~
9 ~~IC 6-3.6-6 may not exceed the tax rate~~ **may not be considered for**
10 **purposes of determining the maximum allowable tax rate** specified
11 in IC 6-3.6-6-2.

12 SECTION 108. IC 6-3.6-8-3, AS ADDED BY P.L.243-2015,
13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2026]: Sec. 3. (a) For purposes of this article, an individual
15 shall be treated as a resident of the county in which the individual:

- 16 (1) maintains a home, if the individual maintains only one (1)
17 home in Indiana;
- 18 (2) if subdivision (1) does not apply, is registered to vote;
- 19 (3) if subdivision (1) or (2) does not apply, registers the
20 individual's personal automobile; or
- 21 (4) spent ~~the majority~~ **more** of the individual's time in Indiana
22 during the taxable year in question **compared to any other**
23 **county**, if subdivision (1), (2), or (3) does not apply.

24 (b) The residence or principal place of business or employment of
25 an individual is to be determined on January 1 of the calendar year in
26 which the individual's taxable year commences. If an individual
27 changes the location of the individual's residence or principal place of
28 employment or business to another county in Indiana during a calendar
29 year, the individual's liability for tax is not affected.

30 (c) Notwithstanding subsection (b), if an individual becomes a
31 local taxpayer for purposes of IC 36-7-27 during a calendar year
32 because the individual:

- 33 (1) changes the location of the individual's residence to a county
34 in which the individual begins employment or business at a
35 qualified economic development tax project (as defined in
36 IC 36-7-27-9); or
- 37 (2) changes the location of the individual's principal place of
38 employment or business to a qualified economic development
39 tax project and does not reside in another county in which a tax
40 is in effect;

41 the individual's adjusted gross income attributable to employment or
42 business at the qualified economic development tax project is taxable

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1 only by the county containing the qualified economic development tax
2 project.

3 SECTION 109. IC 6-3.6-8-3, AS AMENDED BY P.L.68-2025,
4 SECTION 151, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2029]: Sec. 3. (a) For purposes of this
6 article, an individual shall be treated as a resident of the county (or the
7 municipality in the case of a local income tax imposed under
8 IC 6-3.6-6-22) in which the individual:

- 9 (1) maintains a home, if the individual maintains only one (1)
10 home in Indiana;
11 (2) if subdivision (1) does not apply, is registered to vote;
12 (3) if subdivision (1) or (2) does not apply, registers the
13 individual's personal automobile; or
14 (4) spent ~~the majority~~ **more** of the individual's time in Indiana
15 during the taxable year in question **compared to any other**
16 **county**, if subdivision (1), (2), or (3) does not apply.

17 (b) The residence of an individual is to be determined on January
18 1 of the calendar year in which the individual's taxable year
19 commences. If an individual changes the location of the individual's
20 residence to another county (or municipality in the case of a local
21 income tax imposed under IC 6-3.6-6-22) in Indiana during a calendar
22 year, the individual's liability for tax is not affected.

23 (c) Notwithstanding subsection (b), if an individual becomes a
24 local taxpayer for purposes of IC 36-7-27 during a calendar year
25 because the individual changes the location of the individual's
26 residence to a county or municipality in which the individual begins
27 employment or business at a qualified economic development tax
28 project (as defined in IC 36-7-27-9), the individual's adjusted gross
29 income attributable to employment or business at the qualified
30 economic development tax project is taxable only by the county or
31 municipality containing the qualified economic development tax
32 project.

33 **(d) In determining residency for purposes of a local income tax**
34 **imposed under IC 6-3.6-6-2(b)(4) or IC 6-3.6-6-22, the following**
35 **apply:**

- 36 **(1) The criteria in subsection (a)(1) through (a)(4) must be**
37 **applied to municipalities and the parts of a county in which**
38 **the county may impose a tax rate under IC 6-3.6-6-2(b)(4).**
39 **(2) If an individual meets the criteria in subsection (a)(1)**
40 **through (a)(3) for an area in the county in which the county**
41 **may impose a tax rate under IC 6-3.6-6-2(b)(4), the**
42 **individual is considered a resident of that area of the county**

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1 **and is subject to a tax rate imposed under IC 6-3.6-6-2(b)(4).**
 2 **(3) If an individual is a resident of the county pursuant to**
 3 **subsection (a)(4), the:**
 4 **(A) time spent in all areas within the county in which the**
 5 **county may impose a tax rate under IC 6-3.6-6-2(b)(4)**
 6 **shall be aggregated; and**
 7 **(B) determination of the individual's residence within**
 8 **the county shall be determined solely by the time spent**
 9 **in the municipality (or part of the county) and the parts**
 10 **of a county in which the county may impose a tax rate**
 11 **under IC 6-3.6-6-2(b)(4).**

12 SECTION 110. IC 6-3.6-8-7, AS ADDED BY P.L.243-2015,
 13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2029]: Sec. 7. In the case of a local taxpayer who is a
 15 resident of Perry County, **or a resident of a municipality located in**
 16 **Perry County in the case of a local income tax imposed under**
 17 **IC 6-3.6-6-22**, the term "adjusted gross income" does not include
 18 adjusted gross income that is:

- 19 (1) earned in a county that is:
 20 (A) located in another state; and
 21 (B) adjacent to the county in which the taxpayer resides;
 22 and
 23 (2) subject to an income tax imposed by a county, city, town, or
 24 other local governmental entity in the other state.

25 SECTION 111. IC 6-3.6-9-1, AS AMENDED BY P.L.68-2025,
 26 SECTION 154, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2028]: Sec. 1. (a) The budget agency shall
 28 maintain an accounting for each county imposing a tax based on annual
 29 returns filed by or for county taxpayers. Any undistributed amounts so
 30 accounted for shall be held in reserve for the respective counties
 31 separate from the state general fund.

32 (b) Undistributed amounts shall be invested by the treasurer of
 33 state and the income earned shall be credited to the counties based on
 34 each county's undistributed amount.

35 (c) **Before January 1, 2029, the budget agency shall make a**
 36 **transfer from the trust account maintained for each county under**
 37 **this section to the state and local trust account. The budget agency**
 38 **shall determine the greater of zero (0) or the result of the**
 39 **difference between:**

- 40 (1) each county's trust account balance as of December 31,
 41 2027; minus
 42 (2) each county's certified distribution amounts for 2029;

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1 **and transfer the sum of those amounts for all counties to the state**
2 **and local trust account.**

3 ~~(c)~~ **(d)** This section expires December 31, ~~2027~~. **2028.**

4 SECTION 112. IC 6-3.6-9-4, AS AMENDED BY P.L.68-2025,
5 SECTION 156, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2028]: Sec. 4. **(a)** Revenue derived from the
7 imposition of the tax shall, in the manner prescribed by this chapter, be
8 distributed to the county that imposed it. The amount that is to be
9 distributed to a county during an ensuing calendar year equals the
10 amount of tax revenue that the budget agency determines has been:

11 (1) attributed to that county for a taxable year ending in a
12 calendar year preceding the calendar year in which the
13 determination is made; and

14 (2) reported on an annual return or amended return filed by or
15 for a county taxpayer and processed by the department in the
16 state fiscal year ending before July 1, or for a federal income tax
17 deadline set after July 1, a date set by the department for a period
18 of not more than sixty (60) days beyond the federal deadline, of
19 the calendar year in which the determination is made;

20 without adjustment based on the enactment of a tax rate change under
21 IC 6-3.6-6-2 or IC 6-3.6-6-22 in the first preceding calendar year it
22 becomes effective.

23 **(b) Beginning in calendar year 2031, and each calendar year**
24 **thereafter, the amount distributed under subsection (a) shall be**
25 **adjusted based on the enactment of a tax rate change under**
26 **IC 6-3.6-6-2 or IC 6-3.6-6-22 and the certified distributions under**
27 **section 5 of this chapter shall be allocated to the county, each**
28 **municipality, each district, territory, or department providing fire**
29 **protection and each emergency medical services as described in**
30 **IC 6-3.6-6-4.3, and each nonmunicipal civil taxing unit as defined**
31 **in IC 6-3.6-6-0.5 in the manner prescribed by this chapter.**

32 SECTION 113. IC 6-3.6-9-5, AS AMENDED BY P.L.68-2025,
33 SECTION 158, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2028]: Sec. 5. **(a) Before August 2 of each**
35 **calendar year, the budget agency shall provide to the department**
36 **of local government finance and the county auditor of each**
37 **adopting county, and the fiscal officer of each municipality**
38 **beginning after December 31, 2030, an estimate of the amount**
39 **determined under section 4 of this chapter that will be distributed**
40 **to the county or municipality beginning after December 31, 2030,**
41 **based on known tax rates. Subject to subsection (c), not later than**
42 **fifteen (15) days after receiving the estimate of the certified**

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1 **distribution, the department of local government finance shall**
 2 **determine for each taxing unit and notify the county auditor of the**
 3 **estimated amount of property tax credits, school distributions,**
 4 **public safety revenue, economic development revenue, certified**
 5 **shares, and special purpose revenue that will be distributed to the**
 6 **taxing unit under this chapter during the ensuing calendar year.**
 7 **Not later than thirty (30) days after receiving the department's**
 8 **estimate, the county auditor shall notify each taxing unit of the**
 9 **amounts estimated for the taxing unit.**

10 (a) (b) Before October 1 of each calendar year, the budget agency
 11 shall certify to the department of local government finance and the
 12 county auditor of each adopting county the amount determined under
 13 sections 4 and 4.1 of this chapter. The amount certified is the county's
 14 certified distribution for the immediately succeeding calendar year. The
 15 amount certified shall be adjusted, as necessary, under sections 6 and
 16 7 of this chapter. Subject to subsection ~~(b)~~, (c), not later than thirty (30)
 17 days after receiving the amount of the certified distribution, the
 18 department of local government finance shall determine for each taxing
 19 unit and notify the county auditor of the certified amount that will be
 20 distributed to the taxing unit under this chapter during the ensuing
 21 calendar year. Not later than thirty (30) days after receiving the
 22 department's estimate, the county auditor shall notify each taxing unit
 23 of the certified amounts for the taxing unit.

24 ~~(b)~~ (c) This subsection applies to Lake County. When the
 25 department of local government finance notifies the county auditor of
 26 the certified amount that will be distributed to the taxing unit under this
 27 chapter during the ensuing calendar year, the department of local
 28 government finance shall also determine the amount of general purpose
 29 revenue allocated for economic development purposes that will be
 30 distributed to each civil taxing unit, reduced by an amount that is equal
 31 to the following percentages of the tax revenue that would otherwise be
 32 allocated for economic development purposes and distributed to the
 33 civil taxing unit:

- 34 (1) For Lake County, an amount equal to twenty-five percent
- 35 (25%).
- 36 (2) For Crown Point, an amount equal to ten percent (10%).
- 37 (3) For Dyer, an amount equal to fifteen percent (15%).
- 38 (4) For Gary, an amount equal to seven and five-tenths percent
- 39 (7.5%).
- 40 (5) For Hammond, an amount equal to fifteen percent (15%).
- 41 (6) For Highland, an amount equal to twelve percent (12%).
- 42 (7) For Hobart, an amount equal to eighteen percent (18%).

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- 1 (8) For Lake Station, an amount equal to twenty percent (20%).
- 2 (9) For Lowell, an amount equal to fifteen percent (15%).
- 3 (10) For Merrillville, an amount equal to twenty-two percent
- 4 (22%).
- 5 (11) For Munster, an amount equal to thirty-four percent (34%).
- 6 (12) For New Chicago, an amount equal to one percent (1%).
- 7 (13) For Schererville, an amount equal to ten percent (10%).
- 8 (14) For Schneider, an amount equal to twenty percent (20%).
- 9 (15) For Whiting, an amount equal to twenty-five percent (25%).
- 10 (16) For Winfield, an amount equal to fifteen percent (15%).

11 The department of local government finance shall notify the county
 12 auditor of the remaining amounts to be distributed and the amounts of
 13 the reductions that will be withheld under IC 6-3.6-11-5.5.

14 **(d) This subsection applies to a distribution under**
 15 **IC 6-3.6-6-4.3 of tax revenue raised from a local income tax rate**
 16 **for fire protection and emergency medical services. Before the**
 17 **department of local government finance may certify a distribution,**
 18 **each provider of fire protection and emergency medical services**
 19 **located within a county shall certify to the department of local**
 20 **government finance the boundaries of the service area within the**
 21 **county served by the provider. If a provider does not certify the**
 22 **provider's service area to the department of local government**
 23 **finance, the department of local government finance shall use the**
 24 **most recent certified net assessed valuation submitted by the**
 25 **county auditor pursuant to IC 6-1.1-17-1 for the taxing unit served**
 26 **by the provider to determine the service boundaries for the**
 27 **provider. For purposes of this subsection, the service boundaries**
 28 **of a provider may not include any area served under a mutual aid**
 29 **agreement.**

30 SECTION 114. IC 6-3.6-9-10, AS AMENDED BY P.L.68-2025,
 31 SECTION 164, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2028]: Sec. 10. The budget agency shall also
 33 certify information concerning the part of the certified distribution that
 34 is attributable to each of the following:

- 35 (1) The tax rate imposed under IC 6-3.6-5 (before its expiration).
 36 This subdivision expires July 1, ~~2028~~ **2029**.
- 37 (2) The tax rate imposed under IC 6-3.6-6, separately stating:
 38 (A) the part of the distribution attributable to a tax rate
 39 imposed under IC 6-3.6-6-2.5 (before its repeal);
 40 (B) the part of the distribution attributable to a tax rate
 41 imposed under IC 6-3.6-6-2.6 (before its repeal);
 42 (C) the part of the distribution attributable to a tax rate

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- 1 imposed under IC 6-3.6-6-2.7 (before its repeal);
- 2 (D) the part of the distribution attributable to a tax rate
- 3 imposed under IC 6-3.6-6-2.8 (before its repeal); and
- 4 (E) the part of the distribution attributable to a tax rate
- 5 imposed under IC 6-3.6-6-2.9 (before its repeal).
- 6 (3) Each tax rate imposed under IC 6-3.6-7.
- 7 (4) In the case of Marion County, the local income taxes paid by
- 8 local taxpayers described in IC 6-3.6-2-13(3).

9 The amount certified shall be adjusted to reflect any adjustment in the
 10 certified distribution under this chapter.

11 SECTION 115. IC 6-3.6-9-12, AS AMENDED BY P.L.68-2025,
 12 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2028]: Sec. 12. One-twelfth (1/12) of each
 14 adopting county's certified distribution for a calendar year shall be
 15 distributed:

- 16 (1) before January 1, ~~2028~~, **2029**, from its trust account
- 17 established under this chapter; and
- 18 (2) after December 31, ~~2027~~, **2028**, from the state and local
- 19 income tax holding account established under this chapter;

20 to the appropriate county treasurer on the first regular business day of
 21 each month of that calendar year.

22 SECTION 116. IC 6-3.6-9-13, AS AMENDED BY P.L.68-2025,
 23 SECTION 167, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2028]: Sec. 13. (a) All distributions from a trust
 25 account established under this chapter shall be made by warrants issued
 26 by the state comptroller to the treasurer of state ordering the
 27 appropriate payments.

28 (b) This section expires December 31, ~~2027~~. **2028**.

29 SECTION 117. IC 6-3.6-9-17.5, AS ADDED BY P.L.68-2025,
 30 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2028]: Sec. 17.5. After December 31, ~~2027~~,
 32 **2028**, the county's certified distribution amount for ~~2028~~ **2029** shall be
 33 maintained in the accounting for the county under section 21 of this
 34 chapter and transferred as set forth in section 21 of this chapter.

35 SECTION 118. IC 6-3.6-9-21, AS ADDED BY P.L.68-2025,
 36 SECTION 173, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2028]: Sec. 21. (a) The budget agency shall
 38 maintain an accounting for each county imposing a tax based on annual
 39 returns filed by or for county taxpayers. Beginning after December 31,
 40 ~~2027~~, **2028**, any undistributed amounts so accounted shall be held for
 41 purposes of the state and local income tax holding account.

42 (b) After December 1 but before December 31 of each year, the

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1 budget agency shall present to the budget committee a report of the
2 following:

3 (1) An estimate of the monthly certified distribution amounts for
4 the immediately succeeding calendar year.

5 (2) A description of the method used to determine the monthly
6 estimates under subdivision (1).

7 (c) Beginning in ~~2028~~, **2029**, and in each calendar year thereafter,
8 the budget agency shall each month transfer to the state and local
9 income tax holding account the amount determined for the month
10 under subsection (b)(1) for distribution under this chapter.

11 (d) In the case of a county that imposes a tax rate under
12 IC 6-3.6-6-2 or a municipality that imposes a tax rate under
13 IC 6-3.6-6-22 beginning after December 31, ~~2027~~, **2028**, the budget
14 agency shall withhold, from each of the first three (3) annual certified
15 distributions resulting from the tax rate, an amount equal to five
16 percent (5%) of the county's or municipality's, as applicable, annual
17 certified distribution resulting from the tax rate. The amounts withheld
18 under this subsection shall be credited to the respective county's or
19 municipality's trust account.

20 SECTION 119. IC 6-3.6-10-9, AS ADDED BY P.L.68-2025,
21 SECTION 178, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE MAY 10, 2025 (RETROACTIVE)]: Sec. 9. (a)
23 Notwithstanding any other law, for bonds, leases, or any other
24 obligations incurred after May 9, 2025, a county, city, town, and any
25 other taxing unit may not pledge for payment from tax revenue
26 received under this article an amount that exceeds an amount equal to
27 twenty-five percent (25%) of the taxing unit's certified distribution
28 under this article.

29 (b) This section expires July 1, ~~2027~~. **2028**.

30 SECTION 120. IC 6-3.6-11-3, AS AMENDED BY P.L.68-2025,
31 SECTION 180, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2028]: Sec. 3. (a) This section applies to Lake
33 County's categorizations, allocations, and distributions under IC 6-3.6-5
34 (before its expiration).

35 (b) The rate under the former tax in Lake County that was used for
36 any of the following shall be categorized under IC 6-3.6-5 (before its
37 expiration), and the Lake County council may adopt an ordinance
38 providing that the revenue from the tax rate under this section may be
39 used for any of the following:

40 (1) To reduce all property tax levies imposed by the county by
41 the granting of property tax replacement credits against those
42 property tax levies.

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- 1 (2) To provide local property tax replacement credits in Lake
- 2 County in the following manner:
- 3 (A) The tax revenue under this section that is collected from
- 4 taxpayers within a particular municipality in Lake County
- 5 (as determined by the department of state revenue based on
- 6 the department's best estimate) shall be used only to provide
- 7 a local property tax credit against property taxes imposed by
- 8 that municipality.
- 9 (B) The tax revenue under this section that is collected from
- 10 taxpayers within the unincorporated area of Lake County
- 11 (as determined by the department of state revenue) shall be
- 12 used only to provide a local property tax credit against
- 13 property taxes imposed by the county. The local property
- 14 tax credit for the unincorporated area of Lake County shall
- 15 be available only to those taxpayers within the
- 16 unincorporated area of the county.
- 17 (3) To provide property tax credits in the following manner:
- 18 (A) Sixty percent (60%) of the tax revenue shall be used as
- 19 provided in subdivision (2).
- 20 (B) Forty percent (40%) of the tax revenue shall be used to
- 21 provide property tax replacement credits against property
- 22 tax levies of the county and each township and municipality
- 23 in the county. The percentage of the tax revenue distributed
- 24 under this item that shall be used as credits against the
- 25 county's levies or against a particular township's or
- 26 municipality's levies is equal to the percentage determined
- 27 by dividing the population of the county, township, or
- 28 municipality by the sum of the total population of the
- 29 county, each township in the county, and each municipality
- 30 in the county.
- 31 The Lake County council shall determine whether the credits under
- 32 subdivision (1), (2), or (3) shall be provided to homesteads, to all
- 33 qualified residential property, or to all taxpayers. The department of
- 34 local government finance, with the assistance of the budget agency,
- 35 shall certify to the county auditor and the fiscal body of the county and
- 36 each township and municipality in the county the amount of property
- 37 tax credits under this section. The tax revenue under this section that
- 38 is used to provide credits under this section shall be treated for all
- 39 purposes as property tax levies but shall not be considered for purposes
- 40 of computing the maximum permissible property tax levy under
- 41 IC 6-1.1-18.5-3 or the credit under IC 6-1.1-20.6.
- 42 (c) Any ordinance adopted under subsection (b) expires December

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1 31, ~~2027~~. **2028**.

2 (d) This section expires July 1, ~~2028~~. **2031**.

3 SECTION 121. IC 6-6-5-5, AS AMENDED BY P.L.230-2025,
4 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5. A person that owns a
6 vehicle and that is entitled to a property tax deduction under
7 IC 6-1.1-12-13 (**before its expiration**), IC 6-1.1-12-14, or
8 IC 6-1.1-12-16 (~~before its expiration~~) is entitled to a credit against the
9 vehicle excise tax as follows: Any remaining deduction from assessed
10 valuation to which the person is entitled, applicable to property taxes
11 payable in the year in which the excise tax imposed by this chapter is
12 due, after allowance of the deduction on real estate and personal
13 property owned by the person, shall reduce the vehicle excise tax in the
14 amount of two dollars (\$2) on each one hundred dollars (\$100) of
15 taxable value or major portion thereof. The county auditor shall, upon
16 request, furnish a certified statement to the person verifying the credit
17 allowable under this section, and the statement shall be presented to
18 and retained by the bureau to support the credit.

19 SECTION 122. IC 6-6-5-5.2, AS AMENDED BY P.L.230-2025,
20 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2025 (RETROACTIVE)]: Sec. 5.2. (a) This section
22 applies to a registration year beginning after December 31, 2013.

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

- 27 (1) The individual meets all the following requirements:
 - 28 (A) The individual served in the military or naval forces of
 - 29 the United States during any of its wars.
 - 30 (B) The individual received an honorable discharge.
 - 31 (C) The individual has a disability with a service connected
 - 32 disability of ten percent (10%) or more.
 - 33 (D) The individual's disability is evidenced by:
 - 34 (i) a pension certificate, an award of compensation, or
 - 35 a disability compensation check issued by the United
 - 36 States Department of Veterans Affairs; or
 - 37 (ii) a certificate of eligibility issued to the individual by
 - 38 the Indiana department of veterans' affairs after the
 - 39 Indiana department of veterans' affairs has determined
 - 40 that the individual's disability qualifies the individual
 - 41 to receive a credit under this section.
 - 42 (E) The individual does not own property to which a

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- 1 property tax deduction may be applied under IC 6-1.1-12-13
- 2 **(before its expiration).**
- 3 (2) The individual meets all the following requirements:
- 4 (A) The individual served in the military or naval forces of
- 5 the United States for at least ninety (90) days.
- 6 (B) The individual received an honorable discharge.
- 7 (C) The individual either:
- 8 (i) has a total disability; or
- 9 (ii) is at least sixty-two (62) years of age and has a
- 10 disability of at least ten percent (10%).
- 11 (D) The individual's disability is evidenced by:
- 12 (i) a pension certificate or an award of compensation
- 13 issued by the United States Department of Veterans
- 14 Affairs; or
- 15 (ii) a certificate of eligibility issued to the individual by
- 16 the Indiana department of veterans' affairs after the
- 17 Indiana department of veterans' affairs has determined
- 18 that the individual's disability qualifies the individual
- 19 to receive a credit under this section.
- 20 (E) The individual does not own property to which a
- 21 property tax deduction may be applied under
- 22 IC 6-1.1-12-14.
- 23 (3) The individual meets both of the following requirements:
- 24 (A) The individual is the surviving spouse of any of the
- 25 following:
- 26 (i) An individual who would have been eligible for a
- 27 credit under this section if the individual had been
- 28 alive in 2013 and this section had been in effect in
- 29 2013.
- 30 (ii) An individual who received a credit under this
- 31 section in the previous calendar year.
- 32 (iii) A World War I veteran.
- 33 (B) The individual does not own property to which a
- 34 property tax deduction may be applied under IC 6-1.1-12-13
- 35 **(before its expiration), IC 6-1.1-12-14, or IC 6-1.1-12-16.**
- 36 **(before its expiration).**
- 37 (c) The amount of the credit that may be claimed under this
- 38 section is equal to the lesser of the following:
- 39 (1) The amount of the excise tax liability for the individual's
- 40 vehicle as determined under section 3 or 3.5 of this chapter, as
- 41 applicable.
- 42 (2) Seventy dollars (\$70).

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1 (d) The maximum number of motor vehicles for which an
2 individual may claim a credit under this section is two (2).

3 (e) An individual may not claim a credit under both:

4 (1) this section; and

5 (2) section 5 of this chapter.

6 (f) The credit allowed by this section must be claimed on a form
7 prescribed by the bureau. An individual claiming the credit must attach
8 to the form an affidavit from the county auditor stating that the
9 claimant does not own property to which a property tax deduction may
10 be applied under IC 6-1.1-12-13 (before its expiration),
11 IC 6-1.1-12-14, or IC 6-1.1-12-16. (before its expiration):

12 SECTION 123. IC 6-6-5.1-2, AS AMENDED BY P.L.256-2017,
13 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 2. The following definitions apply throughout
15 this chapter:

16 (1) "Bureau" refers to the bureau of motor vehicles.

17 (2) "Mobile home" has the meaning set forth in ~~IC 6-1.1-7-1.~~
18 **IC 9-13-2-103.2. The term includes a manufactured home (as**
19 **defined in IC 9-13-2-96(a)).**

20 (3) "Owner" means:

21 (A) in the case of a recreational vehicle, the person in
22 whose name the recreational vehicle is registered under
23 IC 9-18 (before its expiration) or IC 9-18.1; or

24 (B) in the case of a truck camper, the person holding title to
25 the truck camper.

26 (4) "Recreational vehicle" has the meaning set forth in
27 IC 9-13-2-150.

28 (5) "Truck camper" has the meaning set forth in IC 9-13-2-188.3.

29 SECTION 124. IC 6-6-6.5-13, AS AMENDED BY P.L.230-2025,
30 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 13. (a) As the basis for
32 measuring the tax imposed by this chapter, the department shall
33 classify every taxable aircraft in its proper class according to the
34 following classification plan:

35 CLASS DESCRIPTION

36 A Piston-driven

37 B Piston-driven,
38 and Pressurized

39 C Turbine driven
40 or other Powered

41 D Homebuilt, Gliders, or
42 Hot Air Balloons

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1 (b) The tax imposed under this chapter is based on the age, class,
2 and maximum landing weight of the taxable aircraft. The amount of tax
3 imposed on the taxable aircraft is based on the following table:

4 Age	Class A	Class B	Class C	Class D
5 0-4	\$.04/lb	\$.065/lb	\$.09/lb	\$.0175/lb
6 5-8	\$.035/lb	\$.055/lb	\$.08/lb	\$.015/lb
7 9-12	\$.03/lb	\$.05/lb	\$.07/lb	\$.0125/lb
8 13-16	\$.025/lb	\$.025/lb	\$.025/lb	\$.01/lb
9 17-25	\$.02/lb	\$.02/lb	\$.02/lb	\$.0075/lb
10 over 25	\$.01/lb	\$.01/lb	\$.01/lb	\$.005/lb

11 (c) An aircraft owner, who sells an aircraft on which the owner has
12 paid the tax imposed under this chapter, is entitled to a credit for the
13 tax paid. The credit equals excise tax paid on the aircraft that was sold,
14 times the lesser of:

- 15 (1) ninety percent (90%); or
- 16 (2) ten percent (10%) times the number of months remaining in
17 the registration year after the sale of the aircraft.

18 The credit may only be used to reduce the tax imposed under this
19 chapter on another aircraft purchased by that owner during the
20 registration year in which the credit accrues. A person may not receive
21 a refund for a credit under this subsection.

22 (d) A person who is entitled to a property tax deduction under
23 IC 6-1.1-12-13 (**before its expiration**) or IC 6-1.1-12-14 is entitled to
24 a credit against the tax imposed on the person's aircraft under this
25 chapter. The credit equals the amount of the property tax deduction to
26 which the person is entitled under IC 6-1.1-12-13 (**before its**
27 **expiration**) and IC 6-1.1-12-14 minus the amount of that deduction
28 used to offset the person's property taxes or vehicle excise taxes, times
29 seven hundredths (.07). The credit may not exceed the amount of the
30 tax due under this chapter. The county auditor shall, upon the person's
31 request, furnish a certified statement showing the credit allowable
32 under this subsection. The department may not allow a credit under this
33 subsection until the auditor's statement has been filed in the
34 department's office.

35 SECTION 125. IC 6-9-18-3, AS AMENDED BY THE
36 TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
37 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county may levy a tax
39 on every person engaged in the business of renting or furnishing, for
40 periods of less than thirty (30) days, any room or rooms, lodgings, or
41 accommodations in any:

- 42 (1) hotel;

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- 1 (2) motel;
- 2 (3) boat motel;
- 3 (4) inn;
- 4 (5) college or university memorial union;
- 5 (6) college or university residence hall or dormitory; or
- 6 (7) tourist cabin;
- 7 located in the county.

8 (b) The tax does not apply to gross income received in a transaction
 9 in which:

- 10 (1) a student rents lodgings in a college or university residence
- 11 hall while that student participates in a course of study for which
- 12 the student receives college credit from a college or university
- 13 located in the county; or
- 14 (2) a person rents a room, lodging, or accommodations for a
- 15 period of thirty (30) days or more.
- 16 (c) The tax may not exceed:

- 17 (1) the rate of five percent (5%) in a county other than a county
- 18 subject to subdivision (2), (3), ~~or~~ (4), **or (5);**
- 19 (2) after June 30, 2019, and except as provided in section 6.7 of
- 20 this chapter, the rate of eight percent (8%) in Howard County; ~~or~~
- 21 (3) after June 30, 2021, the rate of nine percent (9%) in Daviess
- 22 County;
- 23 **(4) after June 30, 2026, the rate of eight percent (8%) in**
- 24 **DeKalb County; or**
- 25 **(5) after June 30, 2026, the rate of eight percent (8%) in Noble**
- 26 **County.**

27 The tax is imposed on the gross retail income derived from lodging
 28 income only and is in addition to the state gross retail tax imposed
 29 under IC 6-2.5.

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

37 (e) All of the provisions of IC 6-2.5 relating to rights, duties,
 38 liabilities, procedures, penalties, definitions, exemptions, and
 39 administration are applicable to the imposition and administration of
 40 the tax imposed under this section except to the extent those provisions
 41 are in conflict or inconsistent with the specific provisions of this
 42 chapter or the requirements of the county treasurer. If the tax is paid to

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1 the department of state revenue, the return to be filed for the payment
2 of the tax under this section may be either a separate return or may be
3 combined with the return filed for the payment of the state gross retail
4 tax as the department of state revenue may, by rule, determine.

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

9 SECTION 126. IC 6-9-32-3, AS AMENDED BY P.L.9-2024,
10 SECTION 245, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) The fiscal body of a county
12 may levy a tax on every person engaged in the business of renting or
13 furnishing, for periods of less than thirty (30) days, any room or rooms,
14 lodgings, or accommodations in any:

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

20 located in the county.

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

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

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

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

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1 combined with the return filed for the payment of the state gross retail
2 tax as the department of state revenue may, by rule, determine.

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

7 SECTION 127. IC 6-9-78.2 IS ADDED TO THE INDIANA CODE
8 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]:

10 **Chapter 78.2. Rush County Food and Beverage Tax**

11 **Sec. 1. This chapter applies to Rush County.**

12 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
13 **chapter.**

14 **Sec. 3. (a) The fiscal body of the county may adopt an ordinance**
15 **on or before December 31, 2026, to impose an excise tax, known as**
16 **the county food and beverage tax, on transactions described in**
17 **section 4 of this chapter. The fiscal body of the county may adopt**
18 **an ordinance under this subsection only after the county fiscal**
19 **body has previously held at least one (1) separate public hearing in**
20 **which a discussion of the proposed ordinance to impose the county**
21 **food and beverage tax is the only substantive issue on the agenda**
22 **for the public hearing.**

23 **(b) If the county fiscal body adopts an ordinance under**
24 **subsection (a), the county fiscal body shall immediately send a**
25 **certified copy of the ordinance to the department of state revenue.**

26 **(c) If the county fiscal body adopts an ordinance under**
27 **subsection (a), the county food and beverage tax applies to**
28 **transactions that occur after the later of the following:**

29 **(1) The day specified in the ordinance.**

30 **(2) The last day of the month that succeeds the month in**
31 **which the ordinance is adopted.**

32 **Sec. 4. (a) Except as provided in subsection (c), a tax imposed**
33 **under section 3 of this chapter applies to a transaction in which**
34 **food or beverage is furnished, prepared, or served:**

35 **(1) for consumption at a location or on equipment provided by**
36 **a retail merchant;**

37 **(2) in the county in which the tax is imposed; and**

38 **(3) by a retail merchant for consideration.**

39 **(b) Transactions described in subsection (a)(1) include**
40 **transactions in which food or beverage is:**

41 **(1) served by a retail merchant off the merchant's premises;**

42 **(2) sold in a heated state or heated by a retail merchant;**

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1 (3) made of two (2) or more food ingredients, mixed or
2 combined by a retail merchant for sale as a single item (other
3 than food that is only cut, repackaged, or pasteurized by the
4 seller, and eggs, fish, meat, poultry, and foods containing these
5 raw animal foods requiring cooking by the consumer as
6 recommended by the federal Food and Drug Administration
7 in chapter 3, subpart 3-401.11 of its Food Code so as to
8 prevent food borne illnesses); or

9 (4) sold with eating utensils provided by a retail merchant,
10 including plates, knives, forks, spoons, glasses, cups, napkins,
11 or straws (for purposes of this subdivision, a plate does not
12 include a container or package used to transport food).

13 (c) The county food and beverage tax does not apply to the
14 furnishing, preparing, or serving of a food or beverage in a
15 transaction that is exempt, or to the extent the transaction is
16 exempt, from the state gross retail tax imposed by IC 6-2.5.

17 Sec. 5. The county food and beverage tax rate:

18 (1) must be imposed in an increment of twenty-five
19 hundredths percent (0.25%); and

20 (2) may not exceed one percent (1%);
21 of the gross retail income received by the merchant from the food
22 or beverage transaction described in section 4 of this chapter. For
23 purposes of this chapter, the gross retail income received by the
24 retail merchant from a transaction does not include the amount of
25 tax imposed on the transaction under IC 6-2.5.

26 Sec. 6. A tax imposed under this chapter is imposed, paid, and
27 collected in the same manner that the state gross retail tax is
28 imposed, paid, and collected under IC 6-2.5. However, the return
29 to be filed with the payment of the tax imposed under this chapter
30 may be made on a separate return or may be combined with the
31 return filed for the payment of the state gross retail tax, as
32 prescribed by the department of state revenue.

33 Sec. 7. The amounts received from the tax imposed under this
34 chapter shall be paid monthly by the treasurer of state to the
35 county fiscal officer upon warrants issued by the state comptroller.

36 Sec. 8. (a) If a tax is imposed under section 3 of this chapter by
37 the county, the county fiscal officer shall establish a food and
38 beverage tax receipts fund.

39 (b) The county fiscal officer shall deposit in the fund all amounts
40 received under this chapter.

41 (c) Money earned from the investment of money in the fund
42 becomes a part of the fund.

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1 **Sec. 9. Money in the food and beverage tax receipts fund must**
2 **be used by the county only for the following purposes:**

3 **(1) Economic development and tourism related purposes or**
4 **facilities, including the purchase of land for economic**
5 **development or tourism related purposes.**

6 **(2) The pledge of money under IC 5-1-14-4 for bonds, leases,**
7 **or other obligations incurred for a purpose described in**
8 **subdivision (1).**

9 **Revenue derived from the imposition of a tax under this chapter**
10 **may be treated by the county as additional revenue for the purpose**
11 **of fixing its budget for the budget year during which the revenues**
12 **are to be distributed to the county.**

13 **Sec. 10. With respect to obligations for which a pledge has been**
14 **made under section 9 of this chapter, the general assembly**
15 **covenants with the holders of the obligations that this chapter will**
16 **not be repealed or amended in a manner that will adversely affect**
17 **the imposition or collection of the tax imposed under this chapter**
18 **if the payment of any of the obligations is outstanding.**

19 **Sec. 11. (a) If the county imposes the tax authorized by this**
20 **chapter, the tax terminates on July 1, 2049.**

21 **(b) This chapter expires July 1, 2049.**

22 SECTION 128. IC 6-9-78.3 IS ADDED TO THE INDIANA CODE
23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2026]:

25 **Chapter 78.3. Greendale Food and Beverage Tax**

26 **Sec. 1. This chapter applies to the city of Greendale.**

27 **Sec. 2. The definitions in IC 6-9-12-1 apply throughout this**
28 **chapter.**

29 **Sec. 3. (a) The fiscal body of the city may adopt an ordinance to**
30 **impose an excise tax, known as the city food and beverage tax, on**
31 **transactions described in section 4 of this chapter. The fiscal body**
32 **of the city may adopt an ordinance under this subsection only after**
33 **the city fiscal body has previously:**

34 **(1) adopted a resolution in support of the proposed city food**
35 **and beverage tax; and**

36 **(2) held at least one (1) separate public hearing in which a**
37 **discussion of the proposed ordinance to impose the city food**
38 **and beverage tax is the only substantive issue on the agenda**
39 **for the public hearing.**

40 **(b) If the city fiscal body adopts an ordinance under subsection**
41 **(a), the city fiscal body shall immediately send a certified copy of**
42 **the ordinance to the department of state revenue.**

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1 (c) If the city fiscal body adopts an ordinance under subsection
2 (a), the city food and beverage tax applies to transactions that
3 occur after the last day of the month following the month in which
4 the ordinance is adopted.

5 Sec. 4. (a) Except as provided in subsection (c), a tax imposed
6 under section 3 of this chapter applies to a transaction in which
7 food or beverage is furnished, prepared, or served:

- 8 (1) for consumption at a location or on equipment provided by
- 9 a retail merchant;
- 10 (2) in the city; and
- 11 (3) by a retail merchant for consideration.

12 (b) Transactions described in subsection (a)(1) include
13 transactions in which food or beverage is:

- 14 (1) served by a retail merchant off the merchant's premises;
- 15 (2) sold in a heated state or heated by a retail merchant;
- 16 (3) made of two (2) or more food ingredients, mixed or
- 17 combined by a retail merchant for sale as a single item (other
- 18 than food that is only cut, repackaged, or pasteurized by the
- 19 seller, and eggs, fish, meat, poultry, and foods containing these
- 20 raw animal foods requiring cooking by the consumer as
- 21 recommended by the federal Food and Drug Administration
- 22 in chapter 3, subpart 3-401.11 of its Food Code so as to
- 23 prevent food borne illnesses); or
- 24 (4) sold with eating utensils provided by a retail merchant,
- 25 including plates, knives, forks, spoons, glasses, cups, napkins,
- 26 or straws (for purposes of this subdivision, a plate does not
- 27 include a container or package used to transport the food).

28 (c) The city food and beverage tax does not apply to the
29 furnishing, preparing, or serving of a food or beverage in a
30 transaction that is exempt, or to the extent the transaction is
31 exempt, from the state gross retail tax imposed by IC 6-2.5.

32 Sec. 5. The city food and beverage tax rate:

- 33 (1) must be imposed in an increment of twenty-five
- 34 hundredths percent (0.25%); and
- 35 (2) may not exceed one percent (1%);

36 of the gross retail income received by the merchant from the food
37 or beverage transaction described in section 4 of this chapter. For
38 purposes of this chapter, the gross retail income received by the
39 retail merchant from a transaction does not include the amount of
40 tax imposed on the transaction under IC 6-2.5.

41 Sec. 6. A tax imposed under this chapter shall be imposed, paid,
42 and collected in the same manner that the state gross retail tax is

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1 imposed, paid, and collected under IC 6-2.5. However, the return
2 to be filed with the payment of the tax imposed under this chapter
3 may be made on a separate return or may be combined with the
4 return filed for the payment of the state gross retail tax, as
5 prescribed by the department of state revenue.

6 Sec. 7. The amounts received from the tax imposed under this
7 chapter shall be paid monthly by the treasurer of state to the city
8 fiscal officer upon warrants issued by the state comptroller.

9 Sec. 8. (a) If a tax is imposed under section 3 of this chapter by
10 the city, the city fiscal officer shall establish a food and beverage
11 tax receipts fund.

12 (b) The city fiscal officer shall deposit in the fund all amounts
13 received under this chapter.

14 (c) Money earned from the investment of money in the fund
15 becomes a part of the fund.

16 Sec. 9. Money in the food and beverage tax receipts fund must
17 be used by the city only for the following purposes:

18 (1) Park and recreation purposes, including the purchase of
19 land for park and recreation purposes.

20 (2) Economic development and tourism related purposes or
21 facilities, including the purchase of land for economic
22 development or tourism related purposes.

23 (3) The pledge of money under IC 5-1-14-4 for bonds, leases,
24 or other obligations incurred for a purpose described in
25 subdivisions (1) and (2).

26 Sec. 10. With respect to obligations for which a pledge has been
27 made under section 9 of this chapter, the general assembly
28 covenants with the holders of the obligations that this chapter will
29 not be repealed or amended in a manner that will adversely affect
30 the imposition or collection of the tax imposed under this chapter
31 if the payment of any of the obligations is outstanding.

32 Sec. 11. (a) If the city imposes the tax authorized by this chapter,
33 the tax terminates on January 1, 2048.

34 (b) This chapter expires January 1, 2048.

35 SECTION 129. IC 8-22-3.5-11, AS AMENDED BY P.L.86-2018,
36 SECTION 144, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The state board of
38 accounts and the department of local government finance shall make
39 the rules and prescribe the forms and procedures that the state board of
40 accounts and department consider appropriate for the implementation
41 of this chapter.

42 (b) After each reassessment under IC 6-1.1-4, the department of

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

7 (c) After each annual adjustment under IC 6-1.1-4-4.5, the
8 department of local government finance county auditor shall, on
9 forms prescribed by the department of local government finance,
10 adjust the base assessed value (as defined in section 9 of this chapter)
11 to neutralize any effect of the annual adjustment on the property tax
12 proceeds allocated to the airport development zone's special funds
13 under section 9 of this chapter.

14 (d) The county auditor shall, in the manner prescribed by the
15 department of local government finance, submit the forms
16 required by this section to the department of local government
17 finance no later than July 15 of each year.

18 SECTION 130. IC 9-13-2-96, AS AMENDED BY P.L.42-2025,
19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 96. (a) "Manufactured home", means, except
21 as provided in subsections (b) and (c), a structure that:

- 22 (1) is assembled in a factory;
- 23 (2) bears a seal certifying that it was built in compliance with the
24 federal Manufactured Housing Construction and Safety Standards
25 Law (42 U.S.C. 5401 et seq.);
- 26 (3) is designed to be transported from the factory to another site
27 in one (1) or more units;
- 28 (4) is suitable for use as a dwelling in any season; and
- 29 (5) is more than thirty-five (35) feet long.

30 The term does not include a vehicle described in section 150(a)(2) of
31 this chapter.

32 (b) "Manufactured home"; for purposes of IC 9-17-6, means either
33 of the following:

- 34 (1) A structure having the meaning set forth in the federal
35 Manufactured Housing Construction and Safety Standards Law of
36 1974 (42 U.S.C. 5401 et seq.);
- 37 (2) A mobile home.

38 This subsection expires June 30, 2016; subsection (b), has the
39 meaning set forth in 42 U.S.C. 5402(6), as amended. However, the
40 term also includes a structure that meets the definition and is more
41 than thirty-five (35) body feet in length but less than forty (40)
42 body feet in length.

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1 (e) (b) "Manufactured home", for purposes of IC 9-22-1.7, has the
2 meaning set forth in IC 9-22-1.7-2.

3 SECTION 131. IC 9-22-1.5-1, AS AMENDED BY P.L.256-2017,
4 SECTION 163, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter,
6 "mobile home" means a nonself-propelled vehicle designed for
7 occupancy as a dwelling or sleeping place. **has the meaning set forth**
8 **in IC 9-13-2-103.2. The term includes a manufactured home (as**
9 **defined in IC 9-13-2-96(a)).**

10 SECTION 132. IC 9-22-1.7-2, AS ADDED BY P.L.198-2016,
11 SECTION 377, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter,
13 "manufactured home" means either of the following:

14 (1) ~~A nonself-propelled vehicle designed for occupancy as a~~
15 ~~dwelling or sleeping place.~~ **A manufactured home as defined in**
16 **IC 9-13-2-96(a).**

17 (2) A dwelling, including the equipment sold as a part of the
18 dwelling, that:

- 19 (A) is factory assembled;
- 20 (B) is transportable;
- 21 (C) is intended for year-round occupancy;
- 22 (D) is designed for transportation on its own chassis; and
- 23 (E) was manufactured before the effective date of the federal
24 Manufactured Housing Construction and Safety Standards
25 Law of 1974 (42 U.S.C. 5401 et seq.). **A mobile home (as**
26 **defined in IC 9-13-2-103.2).**

27 SECTION 133. IC 16-18-2-215.5, AS ADDED BY P.L.87-2005,
28 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 215.5. "Manufactured home", for purposes of
30 IC 16-41-27, has the meaning set forth in ~~IC 22-12-1-16.~~
31 **IC 9-13-2-96(a). The term includes a mobile home (as defined in**
32 **IC 9-13-2-103.2).**

33 SECTION 134. IC 16-18-2-238 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 238. "Mobile
35 home", for purposes of IC 16-41-27, has meaning set forth in
36 ~~IC 16-41-27-4.~~ **IC 9-13-2-103.2. The term includes a manufactured**
37 **home (as defined in IC 9-13-2-96(a)).**

38 SECTION 135. IC 16-41-27-3.5, AS ADDED BY P.L.87-2005,
39 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 3.5. As used in this chapter, "manufactured
41 home" has the meaning set forth in ~~IC 22-12-1-16.~~ **IC 9-13-2-96(a).**
42 **The term includes a mobile home (as defined in IC 9-13-2-103.2).**

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1 SECTION 136. IC 16-41-27-4, AS AMENDED BY P.L.87-2005,
 2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 4. As used in this chapter, "mobile home"
 4 means a dwelling, including the equipment sold as a part of the
 5 dwelling, that:

- 6 (1) is factory assembled;
- 7 (2) is transportable;
- 8 (3) is intended for year-round occupancy;
- 9 (4) is designed for transportation on its own chassis; and
- 10 (5) was manufactured before the effective date of the federal
 11 Manufactured Housing Construction and Safety Standards Law of
 12 1974 (42 U.S.C. 5401 et seq.); **has the meaning set forth in**
 13 **IC 9-13-2-103.2. The term includes a manufactured home (as**
 14 **defined in IC 9-13-2-96(a)).**

15 SECTION 137. IC 22-12-1-14 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. "Industrialized
 17 building system" means any part of a building or other structure that is
 18 in whole or in substantial part fabricated in an off-site manufacturing
 19 facility for installation or assembly at the building site as part of a Class
 20 1 structure, a Class 2 structure, or another building or structure.
 21 However, the term does not include a mobile structure, a
 22 **manufactured home**, or a system that is capable of inspection at the
 23 building site.

24 SECTION 138. IC 22-12-1-16, AS AMENDED BY P.L.198-2016,
 25 SECTION 651, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 16. "Manufactured home" has
 27 the meaning set forth in ~~42 U.S.C. 5402~~ as it existed on January 1,
 28 2003. **IC 9-13-2-96(a).** The term includes a mobile home (as defined
 29 in ~~IC 16-41-27-4~~): **as defined in IC 9-13-2-103.2.**

30 SECTION 139. IC 22-12-1-17, AS AMENDED BY P.L.101-2006,
 31 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 17. (a) "Mobile structure" means any part of
 33 a fabricated unit that is designed to be:

- 34 (1) towed ~~on its own~~ **with or without a permanent** chassis; and
- 35 (2) connected to utilities for year-round occupancy or use as a
 36 Class 1 structure, a Class 2 structure, or another structure.
- 37 (b) The term includes the following:
 - 38 (1) Two (2) or more components that can be retracted for towing
 39 purposes and subsequently expanded for additional capacity.
 - 40 (2) Two (2) or more units that are separately towable but designed
 41 to be joined into one (1) integral unit.
 - 42 (3) One (1) or more units that include a hoisting and lowering

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1 mechanism equipped with a platform that:
 2 (A) moves between two (2) or more landings; and
 3 (B) is used to transport one (1) or more individuals.
 4 SECTION 140. IC 25-23.7-2-7, AS AMENDED BY P.L.87-2005,
 5 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 7. "Manufactured home" means a:
 7 (1) dwelling meeting the definition set forth in IC 22-12-1-16; or
 8 (2) mobile home being installed in a mobile home community.
 9 **has the meaning set forth in IC 9-13-2-96(a). The term**
 10 **includes a mobile home (as defined in IC 9-13-2-103.2).**
 11 SECTION 141. IC 25-23.7-2-7.5, AS ADDED BY P.L.87-2005,
 12 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 7.5. "Mobile home" has the meaning set forth
 14 in ~~IC 16-41-27-4~~. **IC 9-13-2-103.2. The term includes a**
 15 **manufactured home (as defined in IC 9-13-2-96(a)).**
 16 SECTION 142. IC 25-23.7-3-8, AS AMENDED BY P.L.84-2016,
 17 SECTION 108, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 8. The board shall:
 19 (1) enforce and administer this article;
 20 (2) adopt rules under IC 4-22-2 for the administration and
 21 enforcement of this article, including competency standards and
 22 a code of ethics for licensed installers;
 23 (3) prescribe the requirements for and the form of licenses issued
 24 or renewed under this article;
 25 (4) issue, deny, suspend, and revoke licenses in accordance with
 26 this article;
 27 (5) in accordance with IC 25-1-7, investigate and prosecute
 28 complaints involving licensees or individuals the board has
 29 reason to believe should be licensees, including complaints
 30 concerning the failure to comply with this article or rules adopted
 31 under this article;
 32 (6) bring actions in the name of the state of Indiana in an
 33 appropriate circuit court, superior court, or probate court to
 34 enforce compliance with this article or rules adopted under this
 35 article;
 36 (7) establish fees in accordance with IC 25-1-8;
 37 (8) inspect the records of a licensee in accordance with rules
 38 adopted by the board;
 39 (9) conduct or designate a board member or other representative
 40 to conduct public hearings on any matter for which a hearing is
 41 required under this article and to exercise all powers granted
 42 under IC 4-21.5; and

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1 (10) maintain the board's office, files, records, and property in the
 2 city of Indianapolis; **and**
 3 **(11) ensure any certification or recertification required by 42**
 4 **U.S.C. 5403, as amended, or any other provision of the federal**
 5 **Manufactured Housing Construction and Safety Standards**
 6 **Law (42 U.S.C. 5401 et seq.), is submitted to or has been**
 7 **included in a plan submitted to the secretary of the United**
 8 **States Department of Housing and Urban Development.**

9 SECTION 143. IC 26-1-9.1-102, AS AMENDED BY P.L.199-2023,
 10 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]: Sec. 102. (a) In IC 26-1-9.1:

12 (1) "Accession" means goods that are physically united with other
 13 goods in such a manner that the identity of the original goods is
 14 not lost.

15 (2) "Account", except as used in "account for", "account
 16 statement", "account to", "commodity account" in subdivision
 17 (14), "customer's account", "deposit account" in subdivision (29),
 18 "on account of", and "statement of account", means a right to
 19 payment of a monetary obligation, whether or not earned by
 20 performance:

- 21 (A) for property that has been or is to be sold, leased, licensed,
 22 assigned, or otherwise disposed of;
- 23 (B) for services rendered or to be rendered;
- 24 (C) for a policy of insurance issued or to be issued;
- 25 (D) for a secondary obligation incurred or to be incurred;
- 26 (E) for energy provided or to be provided;
- 27 (F) for the use or hire of a vessel under a charter or other
 28 contract;
- 29 (G) arising out of the use of a credit or charge card or
 30 information contained on or for use with the card; or
- 31 (H) as winnings in a lottery or other game of chance operated
 32 or sponsored by a state other than Indiana, a governmental unit
 33 of a state, or a person licensed or authorized to operate the
 34 game by a state or governmental unit of a state.

35 The term does not include a right to a payment of a prize awarded
 36 by the state lottery commission in the Indiana state lottery
 37 established under IC 4-30. The term includes controllable
 38 accounts and health-care-insurance receivables. The term does
 39 not include (i) chattel paper, (ii) commercial tort claims, (iii)
 40 deposit accounts, (iv) investment property, (v) letter-of-credit
 41 rights or letters of credit, (vi) rights to payment for money or
 42 funds advanced or sold, other than rights arising out of the use of

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1 a credit or charge card or information contained on or for use with
2 the card, or (vii) rights to payment evidenced by an instrument.

3 (3) "Account debtor" means a person obligated on an account,
4 chattel paper, or general intangible. The term does not include
5 persons obligated to pay a negotiable instrument, even if the
6 negotiable instrument evidences chattel paper.

7 (4) "Accounting", except as used in "accounting for", means a
8 record:

9 (A) signed by a secured party;

10 (B) indicating the aggregate unpaid secured obligations as of
11 a date not more than thirty-five (35) days earlier or thirty-five
12 (35) days later than the date of the record; and

13 (C) identifying the components of the obligations in
14 reasonable detail.

15 (5) "Agricultural lien" means an interest, other than a security
16 interest, in farm products:

17 (A) that secures payment or performance of an obligation for:

18 (i) goods or services furnished in connection with a debtor's
19 farming operation; or

20 (ii) rent on real property leased by a debtor in connection
21 with the debtor's farming operation;

22 (B) that is created by statute in favor of a person that:

23 (i) in the ordinary course of its business furnished goods or
24 services to a debtor in connection with the debtor's farming
25 operation; or

26 (ii) leased real property to a debtor in connection with the
27 debtor's farming operation; and

28 (C) whose effectiveness does not depend on the person's
29 possession of the personal property.

30 (6) "As-extracted collateral" means:

31 (A) oil, gas, or other minerals that are subject to a security
32 interest that:

33 (i) is created by a debtor having an interest in the minerals
34 before extraction; and

35 (ii) attaches to the minerals as extracted; or

36 (B) accounts arising out of the sale at the wellhead or
37 minehead of oil, gas, or other minerals in which the debtor had
38 an interest before extraction.

39 (7) The following terms have the following meanings:

40 (A) "Assignee", except as used in "assignee for benefit of
41 creditors", means a person (i) in whose favor a security interest
42 that secures an obligation is created or provided for under a

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1 security agreement, whether or not the obligation is
 2 outstanding or (ii) to which an account, chattel paper, payment
 3 intangible, or promissory note has been sold. The term
 4 includes a person to which a security interest has been
 5 transferred by a secured party.
 6 (B) "Assignor" means a person that (i) under a security
 7 agreement creates or provides for a security interest that
 8 secures an obligation or (ii) sells an account, chattel paper,
 9 payment intangible, or promissory note. The term includes a
 10 secured party that has transferred a security interest to another
 11 person.
 12 (8) "Bank" means an organization that is engaged in the business
 13 of banking. The term includes savings banks, savings and loan
 14 associations, credit unions, and trust companies.
 15 (9) "Cash proceeds" means proceeds that are money, checks,
 16 deposit accounts, or the like.
 17 (10) "Certificate of title" means a certificate of title with respect
 18 to which a statute provides for the security interest in question to
 19 be indicated on the certificate as a condition or result of the
 20 security interest's obtaining priority over the rights of a lien
 21 creditor with respect to the collateral. The term includes another
 22 record maintained as an alternative to a certificate of title by the
 23 governmental unit that issues certificates of title if a statute
 24 permits the security interest in question to be indicated on the
 25 record as a condition or result of the security interest's obtaining
 26 priority over the rights of a lien creditor with respect to the
 27 collateral.
 28 (11) "Chattel paper" means:
 29 (A) a right to payment of a monetary obligation secured by
 30 specific goods, if the right to payment and security interest are
 31 evidenced by a record; or
 32 (B) a right to payment of a monetary obligation owed by a
 33 lessee under a lease agreement with respect to specific goods
 34 and a monetary obligation owed by the lessee in connection
 35 with the transaction giving rise to the lease if:
 36 (i) the right to payment and lease agreement are evidenced
 37 by a record; and
 38 (ii) the predominant purpose of the transaction giving rise to
 39 the lease was to give the lessee the right to possession and
 40 use of the goods.
 41 The term does not include a right to payment arising out of a
 42 charter or other contract involving the use or hire of a vessel, or

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- 1 a right to payment arising out of the use of a credit or charge card
- 2 or information contained on or for use with the card.
- 3 (12) "Collateral" means the property subject to a security interest
- 4 or agricultural lien. The term includes:
- 5 (A) proceeds to which a security interest attaches;
- 6 (B) accounts, chattel paper, payment intangibles, and
- 7 promissory notes that have been sold; and
- 8 (C) goods that are the subject of a consignment.
- 9 (13) "Commercial tort claim" means a claim arising in tort with
- 10 respect to which:
- 11 (A) the claimant is an organization; or
- 12 (B) the claimant is an individual and the claim:
- 13 (i) arose in the course of the claimant's business or
- 14 profession; and
- 15 (ii) does not include damages arising out of personal injury
- 16 to or the death of an individual.
- 17 (14) "Commodity account" means an account maintained by a
- 18 commodity intermediary in which a commodity contract is carried
- 19 for a commodity customer.
- 20 (15) "Commodity contract" means a commodity futures contract,
- 21 an option on a commodity futures contract, a commodity option,
- 22 or another contract if the contract or option is:
- 23 (A) traded on or subject to the rules of a board of trade that has
- 24 been designated as a contract market for such a contract
- 25 pursuant to federal commodities laws; or
- 26 (B) traded on a foreign commodity board of trade, exchange,
- 27 or market, and is carried on the books of a commodity
- 28 intermediary for a commodity customer.
- 29 (16) "Commodity customer" means a person for which a
- 30 commodity intermediary carries a commodity contract on its
- 31 books.
- 32 (17) "Commodity intermediary" means a person that:
- 33 (A) is registered as a futures commission merchant under
- 34 federal commodities law; or
- 35 (B) in the ordinary course of its business provides clearance or
- 36 settlement services for a board of trade that has been
- 37 designated as a contract market pursuant to federal
- 38 commodities law.
- 39 (18) "Communicate" means:
- 40 (A) to send a written or other tangible record;
- 41 (B) to transmit a record by any means agreed upon by the
- 42 persons sending and receiving the record; or

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- 1 (C) in the case of transmission of a record to or by a filing
- 2 office, to transmit a record by any means prescribed by
- 3 filing-office rule.
- 4 (19) "Consignee" means a merchant to which goods are delivered
- 5 in a consignment.
- 6 (20) "Consignment" means a transaction, regardless of its form,
- 7 in which a person delivers goods to a merchant for the purpose of
- 8 sale and:
- 9 (A) the merchant:
- 10 (i) deals in goods of that kind under a name other than the
- 11 name of the person making delivery;
- 12 (ii) is not an auctioneer; and
- 13 (iii) is not generally known by its creditors to be
- 14 substantially engaged in selling the goods of others;
- 15 (B) with respect to each delivery, the aggregate value of the
- 16 goods is one thousand dollars (\$1,000) or more at the time of
- 17 delivery;
- 18 (C) the goods are not consumer goods immediately before
- 19 delivery; and
- 20 (D) the transaction does not create a security interest that
- 21 secures an obligation.
- 22 (21) "Consignor" means a person that delivers goods to a
- 23 consignee in a consignment.
- 24 (22) "Consumer debtor" means a debtor in a consumer
- 25 transaction.
- 26 (23) "Consumer goods" means goods that are used or bought for
- 27 use primarily for personal, family, or household purposes.
- 28 (24) "Consumer-goods transaction" means a consumer transaction
- 29 in which:
- 30 (A) an individual incurs an obligation primarily for personal,
- 31 family, or household purposes; and
- 32 (B) a security interest in consumer goods secures the
- 33 obligation.
- 34 (25) "Consumer obligor" means an obligor who is an individual
- 35 and who incurred the obligation as part of a transaction entered
- 36 into primarily for personal, family, or household purposes.
- 37 (26) "Consumer transaction" means a transaction in which (i) an
- 38 individual incurs an obligation primarily for personal, family, or
- 39 household purposes, (ii) a security interest secures the obligation,
- 40 and (iii) the collateral is held or acquired primarily for personal,
- 41 family, or household purposes. The term includes
- 42 consumer-goods transactions.

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- 1 (27) The following terms have the following meanings:
- 2 (A) "Continuation statement" means an amendment of a
- 3 financing statement that:
- 4 (i) identifies, by its file number, the initial financing
- 5 statement to which it relates; and
- 6 (ii) indicates that it is a continuation statement for, or that it
- 7 is filed to continue the effectiveness of, the identified
- 8 financing statement.
- 9 (B) "Controllable account" means an account evidenced by a
- 10 controllable electronic record that provides that the account
- 11 debtor undertakes to pay the person that has control under
- 12 IC 26-1-12-105 of the controllable electronic record.
- 13 (C) "Controllable payment intangible" means a payment
- 14 intangible evidenced by a controllable electronic record that
- 15 provides that the account debtor undertakes to pay the person
- 16 that has control under IC 26-1-12-105 of the controllable
- 17 electronic record.
- 18 (28) "Debtor" means:
- 19 (A) a person having an interest, other than a security interest
- 20 or other lien, in the collateral, whether or not the person is an
- 21 obligor;
- 22 (B) a seller of accounts, chattel paper, payment intangibles, or
- 23 promissory notes; or
- 24 (C) a consignee.
- 25 (29) "Deposit account" means a demand, time, savings, passbook,
- 26 or similar account maintained with a bank. The term does not
- 27 include investment property or accounts evidenced by an
- 28 instrument.
- 29 (30) "Document" means a document of title or a receipt of the
- 30 type described in IC 26-1-7-201(b).
- 31 (31) [Reserved.]
- 32 (32) "Encumbrance" means a right, other than an ownership
- 33 interest, in real property. The term includes mortgages and other
- 34 liens on real property.
- 35 (33) "Equipment" means goods other than inventory, farm
- 36 products, or consumer goods.
- 37 (34) "Farm products" means goods, other than standing timber,
- 38 with respect to which the debtor is engaged in a farming operation
- 39 and which are:
- 40 (A) crops grown, growing, or to be grown, including:
- 41 (i) crops produced on trees, vines, and bushes; and
- 42 (ii) aquatic goods produced in aquacultural operations;

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- 1 (B) livestock, born or unborn, including aquatic goods
- 2 produced in aquacultural operations;
- 3 (C) supplies used or produced in a farming operation; or
- 4 (D) products of crops or livestock in their unmanufactured
- 5 states.
- 6 (35) "Farming operation" means raising, cultivating, propagating,
- 7 fattening, grazing, or any other farming, livestock, or aquacultural
- 8 operation.
- 9 (36) "File number" means the number assigned to an initial
- 10 financing statement pursuant to IC 26-1-9.1-519(a).
- 11 (37) "Filing office" means an office designated in IC 26-1-9.1-501
- 12 as the place to file a financing statement.
- 13 (38) "Filing-office rule" means a rule adopted pursuant to
- 14 IC 26-1-9.1-526.
- 15 (39) "Financing statement" means a record or records composed
- 16 of an initial financing statement and any filed record relating to
- 17 the initial financing statement.
- 18 (40) "Fixture filing" means the filing of a financing statement
- 19 covering goods that are or are to become fixtures and satisfying
- 20 IC 26-1-9.1-502(a) and IC 26-1-9.1-502(b). The term includes the
- 21 filing of a financing statement covering goods of a transmitting
- 22 utility which are or are to become fixtures.
- 23 (41) "Fixtures" means goods that have become so related to
- 24 particular real property that an interest in them arises under real
- 25 property law.
- 26 (42) "General intangible" means any personal property, including
- 27 things in action, other than accounts, chattel paper, commercial
- 28 tort claims, deposit accounts, documents, goods, instruments,
- 29 investment property, letter-of-credit rights, letters of credit,
- 30 money, and oil, gas, or other minerals before extraction. The term
- 31 includes controllable electronic records, payment intangibles, and
- 32 software.
- 33 (43) "Good faith" means honesty in fact and the observance of
- 34 reasonable commercial standards of fair dealing.
- 35 (44) "Goods" means all things that are movable when a security
- 36 interest attaches. The term includes (i) fixtures, (ii) standing
- 37 timber that is to be cut and removed under a conveyance or
- 38 contract for sale, (iii) the unborn young of animals, (iv) crops
- 39 grown, growing, or to be grown, even if the crops are produced on
- 40 trees, vines, or bushes, and (v) manufactured homes. The term
- 41 also includes a computer program embedded in goods and any
- 42 supporting information provided in connection with a transaction

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1 relating to the program if (i) the program is associated with the
 2 goods in such a manner that it customarily is considered part of
 3 the goods, or (ii) by becoming the owner of the goods, a person
 4 acquires a right to use the program in connection with the goods.
 5 The term does not include a computer program embedded in
 6 goods that consist solely of the medium in which the program is
 7 embedded. The term also does not include accounts, chattel
 8 paper, commercial tort claims, deposit accounts, documents,
 9 general intangibles, instruments, investment property,
 10 letter-of-credit rights, letters of credit, money, or oil, gas, or other
 11 minerals before extraction.

12 (45) "Governmental unit" means a subdivision, agency,
 13 department, county, parish, municipality, or other unit of the
 14 government of the United States, a state, or a foreign country. The
 15 term includes an organization having a separate corporate
 16 existence if the organization is eligible to issue debt on which
 17 interest is exempt from income taxation under the laws of the
 18 United States.

19 (46) "Health-care-insurance receivable" means an interest in or
 20 claim under a policy of insurance that is a right to payment of a
 21 monetary obligation for health-care goods or services provided.

22 (47) "Instrument" means a negotiable instrument or any other
 23 writing that evidences a right to the payment of a monetary
 24 obligation, is not itself a security agreement or lease, and is of a
 25 type that in the ordinary course of business is transferred by
 26 delivery with any necessary endorsement or assignment. The term
 27 does not include (i) investment property, (ii) letters of credit, (iii)
 28 writings that evidence a right to payment arising out of the use of
 29 a credit or charge card or information contained on or for use with
 30 the card, or (iv) writings that evidence chattel paper.

31 (48) "Inventory" means goods, other than farm products, that:

- 32 (A) are leased by a person as lessor;
- 33 (B) are held by a person for sale or lease or to be furnished
 34 under a contract of service;
- 35 (C) are furnished by a person under a contract of service; or
- 36 (D) consist of raw materials, work in process, or materials
 37 used or consumed in a business.

38 (49) "Investment property" means a security, whether certificated
 39 or uncertificated, security entitlement, securities account,
 40 commodity contract, or commodity account.

41 (50) "Jurisdiction of organization", with respect to a registered
 42 organization, means the jurisdiction under whose law the

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- 1 organization is formed or organized.
- 2 (51) "Letter-of-credit right" means a right to payment or
- 3 performance under a letter of credit, whether or not the
- 4 beneficiary has demanded or is at the time entitled to demand
- 5 payment or performance. The term does not include the right of
- 6 a beneficiary to demand payment or performance under a letter of
- 7 credit.
- 8 (52) "Lien creditor" means:
- 9 (A) a creditor that has acquired a lien on the property involved
- 10 by attachment, levy, or the like;
- 11 (B) an assignee for benefit of creditors from the time of
- 12 assignment;
- 13 (C) a trustee in bankruptcy from the date of the filing of the
- 14 petition; or
- 15 (D) a receiver in equity from the time of appointment.
- 16 (53) "Manufactured home" means a structure, transportable in one
- 17 (1) or more sections, which, in the traveling mode, is eight (8)
- 18 body feet or more in width or forty (40) body feet or more in
- 19 length, or, when erected on site, is three hundred twenty (320) or
- 20 more square feet, and which is built ~~on~~ **with or without** a
- 21 permanent chassis and designed to be used as a dwelling with or
- 22 without a permanent foundation when connected to the required
- 23 utilities, and includes the plumbing, heating, air conditioning, and
- 24 electrical systems contained therein. The term includes any
- 25 structure that meets all of the requirements of this subdivision
- 26 except the size requirements, and with respect to which the
- 27 manufacturer voluntarily files a certification required by the
- 28 United States Secretary of Housing and Urban Development and
- 29 complies with the standards established under Title 42 of the
- 30 United States Code.
- 31 (54) The following terms have the following meanings:
- 32 (A) "Manufactured-home transaction" means a secured
- 33 transaction:
- 34 (i) that creates a purchase-money security interest in a
- 35 manufactured home, other than a manufactured home held
- 36 as inventory; or
- 37 (ii) in which a manufactured home, other than a
- 38 manufactured home held as inventory, is the primary
- 39 collateral.
- 40 (B) "Money" has the meaning set forth in IC 26-1-1-201(24),
- 41 but does not include a deposit account.
- 42 (55) "Mortgage" means a consensual interest in real property,

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- 1 including fixtures, that secures payment or performance of an
- 2 obligation.
- 3 (56) "New debtor" means a person that becomes bound as debtor
- 4 under IC 26-1-9.1-203(d) by a security agreement previously
- 5 entered into by another person.
- 6 (57) "New value" means (i) money, (ii) money's worth in
- 7 property, services, or new credit, or (iii) release by a transferee of
- 8 an interest in property previously transferred to the transferee.
- 9 The term does not include an obligation substituted for another
- 10 obligation.
- 11 (58) "Noncash proceeds" means proceeds other than cash
- 12 proceeds.
- 13 (59) "Obligor" means a person that, with respect to an obligation
- 14 secured by a security interest in or an agricultural lien on the
- 15 collateral, (i) owes payment or other performance of the
- 16 obligation, (ii) has provided property other than the collateral to
- 17 secure payment or other performance of the obligation, or (iii) is
- 18 otherwise accountable in whole or in part for payment or other
- 19 performance of the obligation. The term does not include issuers
- 20 or nominated persons under a letter of credit.
- 21 (60) "Original debtor", except as used in IC 26-1-9.1-310(c),
- 22 means a person that, as debtor, entered into a security agreement
- 23 to which a new debtor has become bound under
- 24 IC 26-1-9.1-203(d).
- 25 (61) "Payment intangible" means a general intangible under
- 26 which the account debtor's principal obligation is a monetary
- 27 obligation. The term includes a controllable payment intangible.
- 28 (62) "Person related to", with respect to an individual, means:
- 29 (A) the spouse of the individual;
- 30 (B) a brother, brother-in-law, sister, or sister-in-law of the
- 31 individual;
- 32 (C) an ancestor or lineal descendant of the individual or the
- 33 individual's spouse; or
- 34 (D) any other relative, by blood or marriage, of the individual
- 35 or the individual's spouse who shares the same home with the
- 36 individual.
- 37 (63) "Person related to", with respect to an organization, means:
- 38 (A) a person directly or indirectly controlling, controlled by,
- 39 or under common control with the organization;
- 40 (B) an officer or director of, or a person performing similar
- 41 functions with respect to, the organization;
- 42 (C) an officer or director of, or a person performing similar

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- 1 functions with respect to, a person described in clause (A);
- 2 (D) the spouse of an individual described in clause (A), (B), or
- 3 (C); or
- 4 (E) an individual who is related by blood or marriage to an
- 5 individual described in clause (A), (B), (C), or (D) and shares
- 6 the same home with the individual.
- 7 (64) "Proceeds", except as used in IC 26-1-9.1-609(b), means the
- 8 following property:
- 9 (A) Whatever is acquired upon the sale, lease, license,
- 10 exchange, or other disposition of collateral.
- 11 (B) Whatever is collected on, or distributed on account of,
- 12 collateral.
- 13 (C) Rights arising out of collateral.
- 14 (D) To the extent of the value of collateral, claims arising out
- 15 of the loss, nonconformity, or interference with the use of,
- 16 defects or infringement of rights in, or damage to, the
- 17 collateral.
- 18 (E) To the extent of the value of collateral and to the extent
- 19 payable to the debtor or the secured party, insurance payable
- 20 by reason of the loss or nonconformity of, defects or
- 21 infringement of rights in, or damage to, the collateral.
- 22 (65) "Promissory note" means an instrument that evidences a
- 23 promise to pay a monetary obligation, does not evidence an order
- 24 to pay, and does not contain an acknowledgment by a bank that
- 25 the bank has received for deposit a sum of money or funds.
- 26 (66) "Proposal" means a record signed by a secured party that
- 27 includes the terms on which the secured party is willing to accept
- 28 collateral in full or partial satisfaction of the obligation it secures
- 29 pursuant to IC 26-1-9.1-620, IC 26-1-9.1-621, and
- 30 IC 26-1-9.1-622.
- 31 (67) "Public-finance transaction" means a secured transaction in
- 32 connection with which:
- 33 (A) debt securities are issued;
- 34 (B) all or a portion of the securities issued have an initial
- 35 stated maturity of at least twenty (20) years; and
- 36 (C) the debtor, obligor, secured party, account debtor, or other
- 37 person obligated on collateral, assignor or assignee of a
- 38 secured obligation, or assignor or assignee of a security
- 39 interest is a state or a governmental unit of a state.
- 40 (68) "Public organic record" means a record that is available to
- 41 the public for inspection and is:
- 42 (A) a record consisting of the record initially filed with or

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1 issued by a state or the United States to form or organize an
 2 organization and any record filed with or issued by the state or
 3 the United States which amends or restates the initial record;
 4 (B) an organic record of a business trust consisting of the
 5 record initially filed with a state and any record filed with the
 6 state which amends or restates the initial record, if a statute of
 7 the state governing business trusts requires that the record be
 8 filed with the state; or
 9 (C) a record consisting of legislation enacted by the legislature
 10 of a state or the Congress of the United States which forms or
 11 organizes an organization, any record amending the
 12 legislation, and any record filed with or issued by the state or
 13 the United States which amends or restates the name of the
 14 organization.

15 (69) "Pursuant to commitment", with respect to an advance made
 16 or other value given by a secured party, means pursuant to the
 17 secured party's obligation, whether or not a subsequent event of
 18 default or other event not within the secured party's control has
 19 relieved or may relieve the secured party from its obligation.

20 (70) "Record", except as used in "for record", "of record", "record
 21 or legal title", and "record owner", means information that is
 22 inscribed on a tangible medium or that is stored in an electronic
 23 or other medium and is retrievable in perceivable form.

24 (71) "Registered organization" means an organization formed or
 25 organized solely under the law of a single state or the United
 26 States by the filing of a public organic record with, the issuance
 27 of a public organic record by, or the enactment of legislation by
 28 the state or the United States. The term includes a business trust
 29 that is formed or organized under the law of a single state if a
 30 statute of the state governing business trusts requires that the
 31 business trust's organic record be filed with the state.

32 (72) "Secondary obligor" means an obligor to the extent that:
 33 (A) the obligor's obligation is secondary; or
 34 (B) the obligor has a right of recourse with respect to an
 35 obligation secured by collateral against the debtor, another
 36 obligor, or property of either.

37 (73) "Secured party" means:
 38 (A) a person in whose favor a security interest is created or
 39 provided for under a security agreement, whether or not any
 40 obligation to be secured is outstanding;
 41 (B) a person that holds an agricultural lien;
 42 (C) a consignor;

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- 1 (D) a person to which accounts, chattel paper, payment
- 2 intangibles, or promissory notes have been sold;
- 3 (E) a trustee, indenture trustee, agent, collateral agent, or other
- 4 representative in whose favor a security interest or agricultural
- 5 lien is created or provided for; or
- 6 (F) a person that holds a security interest arising under
- 7 IC 26-1-2-401, IC 26-1-2-505, IC 26-1-2-711(3),
- 8 IC 26-1-2.1-508(5), IC 26-1-4-210, or IC 26-1-5.1-118.
- 9 (74) "Security agreement" means an agreement that creates or
- 10 provides for a security interest.
- 11 (75) [Reserved.]
- 12 (76) "Software" means a computer program and any supporting
- 13 information provided in connection with a transaction relating to
- 14 the program. The term does not include a computer program that
- 15 is included in the definition of goods.
- 16 (77) "State" means a state of the United States, the District of
- 17 Columbia, Puerto Rico, the United States Virgin Islands, or any
- 18 territory or insular possession subject to the jurisdiction of the
- 19 United States.
- 20 (78) "Supporting obligation" means a letter-of-credit right or
- 21 secondary obligation that supports the payment or performance of
- 22 an account, chattel paper, a document, a general intangible, an
- 23 instrument, or investment property.
- 24 (79) [Reserved.]
- 25 (80) "Termination statement" means an amendment of a financing
- 26 statement that:
 - 27 (A) identifies, by its file number, the initial financing
 - 28 statement to which it relates; and
 - 29 (B) indicates either that it is a termination statement or that the
 - 30 identified financing statement is no longer effective.
- 31 (81) "Transmitting utility" means a person primarily engaged in
- 32 the business of:
 - 33 (A) operating a railroad, subway, street railway, or trolley bus;
 - 34 (B) transmitting communications electrically,
 - 35 electromagnetically, or by light;
 - 36 (C) transmitting goods by pipeline or sewer; or
 - 37 (D) transmitting or producing and transmitting electricity,
 - 38 steam, gas, or water.
- 39 (b) "Control" as provided in IC 26-1-7-106 and the following
- 40 definitions outside IC 26-1-9.1 apply to IC 26-1-9.1:
- 41 "Applicant" IC 26-1-5.1-102.
- 42 "Beneficiary" IC 26-1-5.1-102.

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- 1 "Broker" IC 26-1-8.1-102.
 2 "Certificated security" IC 26-1-8.1-102.
 3 "Check" IC 26-1-3.1-104.
 4 "Clearing corporation" IC 26-1-8.1-102.
 5 "Contract for sale" IC 26-1-2-106.
 6 "Controllable electronic record" IC 26-1-12-102.
 7 "Customer" IC 26-1-4-104.
 8 "Entitlement holder" IC 26-1-8.1-102.
 9 "Financial asset" IC 26-1-8.1-102.
 10 "Holder in due course" IC 26-1-3.1-302.
 11 "Issuer" (with respect to a letter of credit or letter-of-credit right)
 12 IC 26-1-5.1-102.
 13 "Issuer" (with respect to a security) IC 26-1-8.1-201.
 14 "Issuer" (with respect to documents of title) IC 26-1-7-102.
 15 "Lease" IC 26-1-2.1-103.
 16 "Lease agreement" IC 26-1-2.1-103.
 17 "Lease contract" IC 26-1-2.1-103.
 18 "Leasehold interest" IC 26-1-2.1-103.
 19 "Lessee" IC 26-1-2.1-103.
 20 "Lessee in ordinary course of business" IC 26-1-2.1-103.
 21 "Lessor" IC 26-1-2.1-103.
 22 "Lessor's residual interest" IC 26-1-2.1-103.
 23 "Letter of credit" IC 26-1-5.1-102.
 24 "Merchant" IC 26-1-2-104.
 25 "Negotiable instrument" IC 26-1-3.1-104.
 26 "Nominated person" IC 26-1-5.1-102.
 27 "Note" IC 26-1-3.1-104.
 28 "Proceeds of a letter of credit" IC 26-1-5.1-114.
 29 "Protected purchaser" IC 26-1-8.1-303.
 30 "Prove" IC 26-1-3.1-103.
 31 "Qualifying purchaser" IC 26-1-12-102.
 32 "Sale" IC 26-1-2-106.
 33 "Securities account" IC 26-1-8.1-501.
 34 "Securities intermediary" IC 26-1-8.1-102.
 35 "Security" IC 26-1-8.1-102.
 36 "Security certificate" IC 26-1-8.1-102.
 37 "Security entitlement" IC 26-1-8.1-102.
 38 "Uncertificated security" IC 26-1-8.1-102.
 39 (c) IC 26-1-1 contains general definitions and principles of
 40 construction and interpretation applicable throughout IC 26-1-9.1.
 41 SECTION 144. IC 36-1-12-3, AS AMENDED BY P.L.86-2025,
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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

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

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

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

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

- 31 (1) the workforce, through demonstrated skills, training, or
 32 expertise, is capable of performing the public work; and
- 33 (2) for a public work project under subsection (a) whose cost is
 34 estimated to be more than one hundred thousand dollars
 35 (\$100,000), the board:

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

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

41 (B) determines at a public meeting that it is in the public
 42 interest to perform the public work with the board's own

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

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

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

19 ~~(g)~~ (g) Municipal and county hospitals must comply with this
 20 chapter for all contracts for public work that are financed in whole or
 21 in part with cumulative building fund revenue, as provided in section
 22 1(c) of this chapter. However, if the cost of the public work is
 23 estimated to be less than fifty thousand dollars (\$50,000), as reflected
 24 in the board minutes, the hospital board may have the public work done
 25 without receiving bids, by purchasing the materials and performing the
 26 work by means of its own workforce and owned or leased equipment.

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

34 SECTION 145. IC 36-1-12.5-10, AS AMENDED BY P.L.233-2015,
 35 SECTION 331, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2026]: Sec. 10. The governing body shall

37 ~~(1)~~ **(1)** provide ~~submit the following~~ to the ~~director of the~~
 38 department of local government ~~finance~~ **finance's computer**
 39 **gateway** not more than sixty (60) days after the date of execution
 40 of the guaranteed savings contract:

- 41 ~~(A)~~ **(1)** A copy of the executed guaranteed savings contract.
 42 ~~(B)~~ **(2)** The:

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- 1 (i) (A) energy or water consumption costs;
- 2 (ii) (B) wastewater usage costs; and
- 3 (iii) (C) billable revenues, if any;
- 4 before the date of execution of the guaranteed savings
- 5 contract. ~~and~~
- 6 ~~(C) (3) The documentation using industry engineering~~
- 7 standards for:
- 8 (i) (A) stipulated savings; and
- 9 (ii) (B) related capital expenditures. ~~and~~
- 10 ~~(2) annually report to the director of the department of local~~
- 11 ~~government finance, in accordance with procedures established~~
- 12 ~~by the department, the savings resulting in the previous year from~~
- 13 ~~the guaranteed savings contract or utility efficiency program.~~

14 SECTION 146. IC 36-1-12.5-12, AS AMENDED BY P.L.233-2015,
 15 SECTION 332, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2026]: Sec. 12. ~~(a)~~ An improvement that is not
 17 causally connected to a conservation measure may be included in a
 18 guaranteed savings contract if:

- 19 (1) the total value of the improvement does not exceed fifteen
- 20 percent (15%) of the total value of the guaranteed savings
- 21 contract; and
- 22 (2) either:
- 23 (A) the improvement is necessary to conform to a law, a rule,
- 24 or an ordinance; or
- 25 (B) an analysis within the guaranteed savings contract
- 26 demonstrates that:
- 27 (i) there is an economic advantage to the political
- 28 subdivision in implementing an improvement as part of the
- 29 guaranteed savings contract; and
- 30 (ii) the savings justification for the improvement is
- 31 documented by industry engineering standards.

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

34 SECTION 147. IC 36-1-20-3.6 IS ADDED TO THE INDIANA
 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2026]: **Sec. 3.6. (a) A unit may not adopt or**
 37 **enforce an ordinance, resolution, regulation, policy, or rule that:**

- 38 **(1) prohibits or restricts an owner of a privately owned**
- 39 **residential property from using the property as a rental**
- 40 **property; or**
- 41 **(2) has the effect of prohibiting or restricting the use of**
- 42 **property as a rental property.**

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- (b) This section does not prohibit a unit from enforcing any:**
 - (1) generally applicable health and safety regulations;**
 - (2) building codes, fire codes, or reasonable occupancy standards; or**
 - (3) registration or inspection requirements set forth in this chapter, provided the requirements do not operate to impose a cap or limit described in subsection (a).**

SECTION 148. IC 36-2-11-14.5, AS AMENDED BY P.L.127-2017, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) As used in this section, "manufactured home" has the meaning set forth in ~~IC 9-13-2-96(b)~~: **IC 9-13-2-96(a). The term includes a mobile home (as defined in IC 9-13-2-103.2).**

(b) As used in this section, "mobile home" has the meaning set forth in ~~IC 6-1-1-7-1(b)~~: **IC 9-13-2-103.2. The term includes a manufactured home (as defined in IC 9-13-2-96(a)).**

(c) A person must do the following to record a purchase contract that is subject to IC 9-17-6-17:

- (1) Submit the following to the county recorder:
 - (A) A copy of the title to the manufactured home or mobile home.
 - (B) An affidavit stating whether the contract requires the seller or the buyer to pay the property taxes imposed on the manufactured home or mobile home.

(2) Pay any applicable recording fees.

(d) The county recorder shall record a purchase contract submitted for recording under IC 9-17-6-17 by a person who complies with subsection (c). The county recorder shall do the following:

- (1) Provide the information described in subsection (c)(1) to the county treasurer with respect to each contract recorded under this section.
- (2) Notify the township assessor of the township in which the mobile home is located, or to which the mobile home will be moved, that a contract for the sale of the mobile home has been recorded. If there is no township assessor for the township, the county recorder shall provide the notice required by this subdivision to the county assessor.

SECTION 149. IC 36-4-3-19, AS AMENDED BY P.L.104-2022, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 19. (a) If disannexation is ordered under this chapter by the works board of a municipality and no appeal is taken, the clerk of the municipality shall, without compensation and

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1 not later than ten (10) days after the order is made, make and certify a
 2 complete transcript of the disannexation proceedings to the auditor of
 3 each county in which the disannexed lots or lands lie and to the office
 4 of the secretary of state. The county auditor shall list those lots or lands
 5 appropriately for taxation. The proceedings of the works board shall not
 6 be certified to the county auditor or to the office of the secretary of
 7 state if an appeal to the circuit court has been taken.

8 (b) In all proceedings begun in or appealed to the circuit court, if
 9 vacation or disannexation is ordered, the clerk of the court shall
 10 immediately after the judgment of the court, or after a decision on
 11 appeal to the supreme court or court of appeals if the judgment on
 12 appeal is not reversed, certify the judgment of the circuit court, as
 13 affirmed or modified, to each of the following:

14 (1) The auditor of each county in which the lands or lots affected
 15 lie, on receipt of one dollar (\$1) for the making and certifying of
 16 the transcript from the petitioners for the disannexation.

17 (2) The office of the secretary of state.

18 (3) The circuit court clerk of each county in which the lands or
 19 lots affected are located.

20 (4) The county election board of each county in which the lands
 21 or lots affected are located.

22 (5) If a board of registration exists, the board of each county in
 23 which the lands or lots affected are located.

24 (6) The office of census data established by IC 2-5-1.1-12.2.

25 (c) The county auditor shall forward a list of lots or lands
 26 disannexed under this section to the following:

27 (1) The county highway department of each county in which the
 28 lands or lots affected are located.

29 (2) The county surveyor of each county in which the lands or lots
 30 affected are located.

31 (3) Each plan commission, if any, that lost or gained jurisdiction
 32 over the disannexed territory.

33 (4) The township trustee of each township that lost or gained
 34 jurisdiction over the disannexed territory.

35 (5) The sheriff of each county in which the lands or lots affected
 36 are located.

37 (6) The office of the secretary of state.

38 (7) The office of census data established by IC 2-5-1.1-12.2.

39 (8) The department of local government finance, not later than
 40 August 1, in the manner described by the department.

41 **(9) The state GIS officer (as defined in IC 4-23-7.3-10), not**
 42 **later than August 1, in the manner prescribed by the state**

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1 **GIS officer (as defined in IC 4-23-7.3-10).**
2 The county auditor may require the clerk of the municipality to furnish
3 an adequate number of copies of the list of disannexed lots or lands or
4 may charge the clerk a fee for photoreproduction of the list.

5 (d) A disannexation described by this section takes effect upon the
6 clerk of the municipality filing the order with:

7 (1) the county auditor of each county in which the annexed
8 territory is located; and

9 (2) the circuit court clerk, or if a board of registration exists, the
10 board of each county in which the annexed territory is located.

11 (e) The clerk of the municipality shall notify the office of the
12 secretary of state and the office of census data established by
13 IC 2-5-1.1-12.2 of the date a disannexation is effective under this
14 chapter.

15 SECTION 150. IC 36-4-3-22, AS AMENDED BY P.L.38-2021,
16 SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2026]: Sec. 22. (a) The clerk of the municipality shall file:

18 (1) each annexation ordinance against which:

19 (A) a remonstrance or an appeal has not been filed during the
20 period permitted under this chapter; or

21 (B) a remonstrance was filed without a sufficient number of
22 signatures to meet the requirements of section 11.3(c) of this
23 chapter, in the case of an annexation for which an annexation
24 ordinance was adopted after June 30, 2015; or

25 (2) the certified copy of a final and unappealable judgment
26 ordering an annexation to take place;

27 with the county auditor, circuit court clerk, and board of registration (if
28 a board of registration exists) of each county in which the annexed
29 territory is located, the office of the secretary of state, and the office of
30 census data established by IC 2-5-1.1-12.2. The clerk of the
31 municipality shall record each annexation ordinance adopted under this
32 chapter in the office of the county recorder of each county in which the
33 annexed territory is located.

34 (b) The ordinance or judgment must be filed and recorded no later
35 than ninety (90) days after:

36 (1) the expiration of the period permitted for a remonstrance or
37 appeal;

38 (2) the delivery of a certified order under section 15 of this
39 chapter; or

40 (3) the date the county auditor files the written certification with
41 the legislative body under section 11.2 of this chapter, in the case
42 of an annexation described in subsection (a)(1)(B).

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- 1 (c) Failure to record the annexation ordinance as provided in
- 2 subsection (a) does not invalidate the ordinance.
- 3 (d) The county auditor shall forward a copy of any annexation
- 4 ordinance filed under this section to the following:
- 5 (1) The county highway department of each county in which the
- 6 lots or lands affected are located.
- 7 (2) The county surveyor of each county in which the lots or lands
- 8 affected are located.
- 9 (3) Each plan commission, if any, that lost or gained jurisdiction
- 10 over the annexed territory.
- 11 (4) The sheriff of each county in which the lots or lands affected
- 12 are located.
- 13 (5) The township trustee of each township that lost or gained
- 14 jurisdiction over the annexed territory.
- 15 (6) The office of the secretary of state.
- 16 (7) The office of census data established by IC 2-5-1.1-12.2.
- 17 (8) The department of local government finance, not later than
- 18 August 1, in the manner described by the department.
- 19 **(9) The state GIS officer (as defined in IC 4-23-7.3-10), not**
- 20 **later than August 1, in the manner prescribed by the state**
- 21 **GIS officer (as defined in IC 4-23-7.3-10).**
- 22 (e) The county auditor may require the clerk of the municipality to
- 23 furnish an adequate number of copies of the annexation ordinance or
- 24 may charge the clerk a fee for photoreproduction of the ordinance. The
- 25 county auditor shall notify the office of the secretary of state and the
- 26 office of census data established by IC 2-5-1.1-12.2 of the date that the
- 27 annexation ordinance is effective under this chapter.
- 28 (f) The county auditor or county surveyor shall, upon determining
- 29 that an annexation ordinance has become effective under this chapter,
- 30 indicate the annexation upon the property taxation records maintained
- 31 in the office of the auditor or the office of the county surveyor.
- 32 SECTION 151. IC 36-7-14-39, AS AMENDED BY P.L.181-2025,
- 33 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 34 UPON PASSAGE]: Sec. 39. (a) As used in this section:
- 35 "Allocation area" means that part of a redevelopment project area
- 36 to which an allocation provision of a declaratory resolution adopted
- 37 under section 15 of this chapter refers for purposes of distribution and
- 38 allocation of property taxes.
- 39 "Base assessed value" means, subject to subsection (j), the
- 40 following:
- 41 (1) If an allocation provision is adopted after June 30, 1995, in a
- 42 declaratory resolution or an amendment to a declaratory

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

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1 area before July 1, 1997, is expanded after June 30, 1997, the
2 definition in subdivision (2) applies to the expanded part of the
3 area added after June 30, 1997.

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

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

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1 2008, if any of the bonds or other obligations that were scheduled when
 2 issued to mature before the specified expiration date and that are
 3 payable only from allocated tax proceeds with respect to the allocation
 4 area remain outstanding as of the expiration date, the allocation
 5 provision does not expire until all of the bonds or other obligations are
 6 no longer outstanding. Notwithstanding any other law, in the case of an
 7 allocation area that is established after June 30, 2019, and that is
 8 located in a redevelopment project area described in section
 9 25.1(c)(3)(C) of this chapter, an economic development area described
 10 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project
 11 area described in section 25.1(c)(3)(C) of this chapter, the expiration
 12 date of the allocation provision may not be more than thirty-five (35)
 13 years after the date on which the allocation provision is established.
 14 The allocation provision may apply to all or part of the redevelopment
 15 project area. The allocation provision must require that any property
 16 taxes subsequently levied by or for the benefit of any public body
 17 entitled to a distribution of property taxes on taxable property in the
 18 allocation area be allocated and distributed as follows:

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

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

23 or

24 (B) the base assessed value;

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

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

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

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

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

41 STEP THREE: Multiply the STEP TWO amount by the
 42 allocated property tax attributable to the participating unit of

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

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

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

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

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1 of assessed value to the respective taxing units under this
 2 subdivision if to do so would endanger the interests of the
 3 holders of bonds described in subdivision (4) or lessors under
 4 section 25.3 of this chapter. **If a commission fails to provide**
 5 **the notice under this clause, the county auditor shall**
 6 **allocate five percent (5%) of the assessed value in the**
 7 **allocation area that is used to calculate the allocation and**
 8 **distribution of allocated tax proceeds under this section to**
 9 **the respective taxing units. However, if the commission**
 10 **notifies the county auditor and the department of local**
 11 **government finance, no later than July 1, that it is unable**
 12 **to meet its debt service obligations with regard to the**
 13 **allocation area without all or part of the allocated tax**
 14 **proceeds attributed to the assessed value that has been**
 15 **allocated to the respective taxing units, then the county**
 16 **auditor may not allocate five percent (5%) of the assessed**
 17 **value in the allocation area that is used to calculate the**
 18 **allocation and distribution of allocated tax proceeds under**
 19 **this section to the respective taxing units.**

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

26 (ii) the amount necessary for other purposes described in
 27 subdivision (4);
 28 the commission shall submit to the legislative body of the unit
 29 its determination of the excess assessed value that the
 30 commission proposes to allocate to the respective taxing units
 31 in the manner prescribed in subdivision (1). The legislative
 32 body of the unit may approve the commission's determination
 33 or modify the amount of the excess assessed value that will be
 34 allocated to the respective taxing units in the manner
 35 prescribed in subdivision (1).

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

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1 assessed value determined by the commission under subdivision
 2 (5)(A) is expected to generate more than two hundred percent
 3 (200%) of:
 4 (A) the amount of allocated tax proceeds necessary to make,
 5 when due, principal and interest payments on bonds described
 6 in subdivision (4) for the project; plus
 7 (B) the amount necessary for other purposes described in
 8 subdivision (4) for the project;
 9 the amount of the excess assessed value that generates more than
 10 two hundred percent (200%) of the amounts described in clauses
 11 (A) and (B) shall be allocated to the respective taxing units in the
 12 manner prescribed by subdivision (1).
 13 (c) For the purpose of allocating taxes levied by or for any taxing
 14 unit or units, the assessed value of taxable property in a territory in the
 15 allocation area that is annexed by any taxing unit after the effective
 16 date of the allocation provision of the declaratory resolution is the
 17 lesser of:
 18 (1) the assessed value of the property for the assessment date with
 19 respect to which the allocation and distribution is made; or
 20 (2) the base assessed value.
 21 (d) Property tax proceeds allocable to the redevelopment district
 22 under subsection (b)(4) may, subject to subsection (b)(5), be
 23 irrevocably pledged by the redevelopment district for payment as set
 24 forth in subsection (b)(4).
 25 (e) Notwithstanding any other law, each assessor shall, upon
 26 petition of the redevelopment commission, reassess the taxable
 27 property situated upon or in, or added to, the allocation area, effective
 28 on the next assessment date after the petition.
 29 (f) Notwithstanding any other law, the assessed value of all taxable
 30 property in the allocation area, for purposes of tax limitation, property
 31 tax replacement, and formulation of the budget, tax rate, and tax levy
 32 for each political subdivision in which the property is located is the
 33 lesser of:
 34 (1) the assessed value of the property as valued without regard to
 35 this section; or
 36 (2) the base assessed value.
 37 (g) If any part of the allocation area is located in an enterprise zone
 38 created under IC 5-28-15, the unit that designated the allocation area
 39 shall create funds as specified in this subsection. A unit that has
 40 obligations, bonds, or leases payable from allocated tax proceeds under
 41 subsection (b)(4) shall establish an allocation fund for the purposes
 42 specified in subsection (b)(4) and a special zone fund. Such a unit

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

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

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

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

- 22 (1) The initial allocation deadline is December 31, 2011.
- 23 (2) Subject to subdivision (3), the initial allocation deadline and
- 24 subsequent allocation deadlines are automatically extended in
- 25 increments of five (5) years, so that allocation deadlines
- 26 subsequent to the initial allocation deadline fall on December 31,
- 27 2016, and December 31 of each fifth year thereafter.
- 28 (3) At least one (1) year before the date of an allocation deadline
- 29 determined under subdivision (2), the general assembly may enact
- 30 a law that:
 - 31 (A) terminates the automatic extension of allocation deadlines
 - 32 under subdivision (2); and
 - 33 (B) specifically designates a particular date as the final
 - 34 allocation deadline.

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

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- 1 (1) the date on which the documents are filed with the county
- 2 auditor; or
- 3 (2) the date on which the documents are filed with the department
- 4 of local government finance.
- 5 (k) For an allocation area established after June 30, 2025,
- 6 "residential property" refers to the assessed value of property that is
- 7 allocated to the one percent (1%) homestead land and improvement
- 8 categories in the county tax and billing software system.
- 9 SECTION 152. IC 36-7-14-48, AS AMENDED BY P.L.236-2023,
- 10 SECTION 180, IS AMENDED TO READ AS FOLLOWS
- 11 [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) Notwithstanding section
- 12 39(a) of this chapter, with respect to the allocation and distribution of
- 13 property taxes for the accomplishment of a program adopted under
- 14 section 45 of this chapter, "base assessed value" means, subject to
- 15 section 39(j) of this chapter, the net assessed value of all of the
- 16 property, other than personal property, as finally determined for the
- 17 assessment date immediately preceding the effective date of the
- 18 allocation provision, as adjusted under section 39(h) of this chapter.
- 19 (b) The allocation fund established under section 39(b) of this
- 20 chapter for the allocation area for a program adopted under section 45
- 21 of this chapter may be used only for purposes related to the
- 22 accomplishment of the program, including the following:
- 23 (1) The construction, rehabilitation, or repair of residential units
- 24 within the allocation area.
- 25 (2) The construction, reconstruction, or repair of any
- 26 infrastructure (including streets, sidewalks, and sewers) within or
- 27 serving the allocation area.
- 28 (3) The acquisition of real property and interests in real property
- 29 within the allocation area.
- 30 (4) The demolition of real property within the allocation area.
- 31 (5) The provision of financial assistance to enable individuals and
- 32 families to purchase or lease residential units within the allocation
- 33 area. However, financial assistance may be provided only to those
- 34 individuals and families whose income is at or below the county's
- 35 median income for individuals and families, respectively.
- 36 (6) The provision of financial assistance to neighborhood
- 37 development corporations to permit them to provide financial
- 38 assistance for the purposes described in subdivision (5).
- 39 (7) For property taxes first due and payable before January 1,
- 40 2009, providing each taxpayer in the allocation area a credit for
- 41 property tax replacement as determined under subsections (c) and
- 42 (d). However, the commission may provide this credit only if the

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1 municipal legislative body (in the case of a redevelopment
2 commission established by a municipality) or the county
3 executive (in the case of a redevelopment commission established
4 by a county) establishes the credit by ordinance adopted in the
5 year before the year in which the credit is provided.

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

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

14 STEP TWO: Divide:

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

19 (B) the amount determined under STEP ONE.

20 STEP THREE: Multiply:

21 (A) the STEP TWO quotient; by

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- 1 notice must:
- 2 (A) state the amount, if any, of excess property taxes that the
- 3 commission has determined may be paid to the respective
- 4 taxing units in the manner prescribed in section 39(b)(1) of
- 5 this chapter; or
- 6 (B) state that the commission has determined that there is no
- 7 excess assessed value that may be allocated to the respective
- 8 taxing units in the manner prescribed in subdivision (1).
- 9 The county auditor shall allocate to the respective taxing units the
- 10 amount, if any, of excess assessed value determined by the
- 11 commission. **If a commission fails to provide the notice under**
- 12 **this subdivision, the county auditor shall allocate five percent**
- 13 **(5%) of the assessed value in the allocation area that is used**
- 14 **to calculate the allocation and distribution of allocated tax**
- 15 **proceeds under this section to the respective taxing units.**
- 16 **However, if the commission notifies the county auditor and**
- 17 **the department of local government finance, no later than**
- 18 **July 1, that it is unable to meet its debt service obligations**
- 19 **with regard to the allocation area without all or part of the**
- 20 **allocated tax proceeds attributed to the assessed value that**
- 21 **has been allocated to the respective taxing units, then the**
- 22 **county auditor may not allocate five percent (5%) of the**
- 23 **assessed value in the allocation area that is used to calculate**
- 24 **the allocation and distribution of allocated tax proceeds under**
- 25 **this section to the respective taxing units.**
- 26 (3) If:
- 27 (A) the amount of excess assessed value determined by the
- 28 commission is expected to generate more than two hundred
- 29 percent (200%) of the amount of allocated tax proceeds
- 30 necessary to make, when due, principal and interest payments
- 31 on bonds described in subdivision (1); plus
- 32 (B) the amount necessary for other purposes described in
- 33 subdivision (1);
- 34 the commission shall submit to the legislative body of the unit its
- 35 determination of the excess assessed value that the commission
- 36 proposes to allocate to the respective taxing units in the manner
- 37 prescribed in subdivision (2). The legislative body of the unit may
- 38 approve the commission's determination or modify the amount of
- 39 the excess assessed value that will be allocated to the respective
- 40 taxing units in the manner prescribed in subdivision (2).
- 41 (g) This subsection applies to an allocation area only to the extent
- 42 that the net assessed value of property that is assessed as residential

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

10 SECTION 153. IC 36-7-14-52, AS AMENDED BY P.L.236-2023,
11 SECTION 181, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE UPON PASSAGE]: Sec. 52. (a) Notwithstanding section
13 39(a) of this chapter, with respect to the allocation and distribution of
14 property taxes for the accomplishment of the purposes of an
15 age-restricted housing program adopted under section 49 of this
16 chapter, "base assessed value" means, subject to section 39(j) of this
17 chapter, the net assessed value of all of the property, other than
18 personal property, as finally determined for the assessment date
19 immediately preceding the effective date of the allocation provision, as
20 adjusted under section 39(h) of this chapter.

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

- 26 (1) The construction of any infrastructure (including streets,
27 sidewalks, and sewers) or local public improvements in, serving,
28 or benefiting the allocation area.
- 29 (2) The acquisition of real property and interests in real property
30 within the allocation area.
- 31 (3) The preparation of real property in anticipation of
32 development of the real property within the allocation area.
- 33 (4) To do any of the following:
 - 34 (A) Pay the principal of and interest on bonds or any other
35 obligations payable from allocated tax proceeds in the
36 allocation area that are incurred by the redevelopment district
37 for the purpose of financing or refinancing the age-restricted
38 housing program established under section 49 of this chapter
39 for the allocation area.
 - 40 (B) Establish, augment, or restore the debt service reserve for
41 bonds payable solely or in part from allocated tax proceeds in
42 the allocation area.

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

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1 this notice (in an electronic format) to the department of local
2 government finance not later than June 15 of each year. The
3 notice must:

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

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

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

27 SECTION 154. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014,
28 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 1. As used in this chapter, "property taxes"
30 means:

- 31 (1) property taxes, as described in:
- 32 (A) ~~IC 6-1.1-39-5(g)~~; **IC 6-1.1-39-5(h)**;
- 33 (B) IC 36-7-14-39(a);
- 34 (C) IC 36-7-14-39.2;
- 35 (D) IC 36-7-14-39.3(c);
- 36 (E) IC 36-7-14.5-12.5;
- 37 (F) IC 36-7-15.1-26(a);
- 38 (G) IC 36-7-15.1-26.2(c);
- 39 (H) IC 36-7-15.1-53(a);
- 40 (I) IC 36-7-15.1-55(c);
- 41 (J) IC 36-7-30-25(a)(3);
- 42 (K) IC 36-7-30-26(c);

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1 (L) IC 36-7-30.5-30; or
 2 (M) IC 36-7-30.5-31; and
 3 (2) for allocation areas created under IC 8-22-3.5, the taxes
 4 assessed on taxable tangible property in the allocation area.
 5 SECTION 155. IC 36-7-15.1-26, AS AMENDED BY P.L.174-2022,
 6 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 26. (a) As used in this section:
 8 "Allocation area" means that part of a redevelopment project area
 9 to which an allocation provision of a resolution adopted under section
 10 8 of this chapter refers for purposes of distribution and allocation of
 11 property taxes.
 12 "Base assessed value" means, subject to subsection (j), the
 13 following:
 14 (1) If an allocation provision is adopted after June 30, 1995, in a
 15 declaratory resolution or an amendment to a declaratory
 16 resolution establishing an economic development area:
 17 (A) the net assessed value of all the property as finally
 18 determined for the assessment date immediately preceding the
 19 effective date of the allocation provision of the declaratory
 20 resolution, as adjusted under subsection (h); plus
 21 (B) to the extent that it is not included in clause (A), the net
 22 assessed value of property that is assessed as residential
 23 property under the rules of the department of local government
 24 finance, within the allocation area, as finally determined for
 25 the current assessment date.
 26 (2) If an allocation provision is adopted after June 30, 1997, in a
 27 declaratory resolution or an amendment to a declaratory
 28 resolution establishing a redevelopment project area:
 29 (A) the net assessed value of all the property as finally
 30 determined for the assessment date immediately preceding the
 31 effective date of the allocation provision of the declaratory
 32 resolution, as adjusted under subsection (h); 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 government
 36 finance, within the allocation area, as finally determined for
 37 the current assessment date.
 38 (3) If:
 39 (A) an allocation provision adopted before June 30, 1995, in
 40 a declaratory resolution or an amendment to a declaratory
 41 resolution establishing a redevelopment project area expires
 42 after June 30, 1997; and

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

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

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

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

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

33 (b) A resolution adopted under section 8 of this chapter on or before
34 the allocation deadline determined under subsection (i) may include a
35 provision with respect to the allocation and distribution of property
36 taxes for the purposes and in the manner provided in this section. A
37 resolution previously adopted may include an allocation provision by
38 the amendment of that resolution on or before the allocation deadline
39 determined under subsection (i) in accordance with the procedures
40 required for its original adoption. A declaratory resolution or
41 amendment that establishes an allocation provision must include a
42 specific finding of fact, supported by evidence, that the adoption of the

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

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

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1 (ii) on a parcel of real property that has been classified as
 2 industrial property under the rules of the department of local
 3 government finance.
 4 However, the total amount of money spent for this purpose in
 5 any year may not exceed the total amount of money in the
 6 allocation fund that is attributable to property taxes paid by the
 7 industrial facilities described in this clause. The
 8 reimbursements under this clause must be made within three
 9 (3) years after the date on which the investments that are the
 10 basis for the increment financing are made.
 11 (J) Pay the costs of carrying out an eligible efficiency project
 12 (as defined in IC 36-9-41-1.5) within the unit that established
 13 the redevelopment commission. However, property tax
 14 proceeds may be used under this clause to pay the costs of
 15 carrying out an eligible efficiency project only if those
 16 property tax proceeds exceed the amount necessary to do the
 17 following:
 18 (i) Make, when due, any payments required under clauses
 19 (A) through (I), including any payments of principal and
 20 interest on bonds and other obligations payable under this
 21 subdivision, any payments of premiums under this
 22 subdivision on the redemption before maturity of bonds, and
 23 any payments on leases payable under this subdivision.
 24 (ii) Make any reimbursements required under this
 25 subdivision.
 26 (iii) Pay any expenses required under this subdivision.
 27 (iv) Establish, augment, or restore any debt service reserve
 28 under this subdivision.
 29 (K) Expend money and provide financial assistance as
 30 authorized in section 7(a)(21) of this chapter.
 31 The special fund may not be used for operating expenses of the
 32 commission.
 33 (4) Before June 15 of each year, the commission shall do the
 34 following:
 35 (A) Determine the amount, if any, by which the assessed value
 36 of the taxable property in the allocation area for the most
 37 recent assessment date minus the base assessed value, when
 38 multiplied by the estimated tax rate of the allocation area will
 39 exceed the amount of assessed value needed to provide the
 40 property taxes necessary to make, when due, principal and
 41 interest payments on bonds described in subdivision (3) plus
 42 the amount necessary for other purposes described in

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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 1, 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

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

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

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

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

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

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

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

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

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

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

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

21 (A) Businesses operating in the enterprise zone.

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

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

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

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1 district under this section. However, the adjustments under this
 2 subsection may not include the effect of property tax abatements under
 3 IC 6-1.1-12.1, and these adjustments may not produce less property tax
 4 proceeds allocable to the redevelopment district under subsection
 5 (b)(3) than would otherwise have been received if the reassessment
 6 under the reassessment plan or annual adjustment had not occurred.
 7 ~~The department of local government finance may prescribe procedures~~
 8 ~~for county and township officials to follow to assist the department in~~
 9 ~~making the adjustments.~~ **The county auditor shall, in the manner**
 10 **prescribed by the department of local government finance, submit**
 11 **the forms required by this subsection to the department of local**
 12 **government finance no later than July 15 of each year.**

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

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

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

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

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

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

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

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

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

40 (k) For an allocation area established after June 30, 2024,
 41 "residential property" refers to the assessed value of property that is
 42 allocated to the one percent (1%) homestead land and improvement

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1 categories in the county tax and billing software system, along with the
 2 residential assessed value as defined for purposes of calculating the
 3 rate for the local income tax property tax relief credit designated for
 4 residential property under IC 6-3.6-5-6(d)(3).

5 SECTION 156. IC 36-7-15.1-26, AS AMENDED BY P.L.68-2025,
 6 SECTION 235, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2028]: Sec. 26. (a) As used in this section:

8 "Allocation area" means that part of a redevelopment project area
 9 to which an allocation provision of a resolution adopted under section
 10 8 of this chapter refers for purposes of distribution and allocation of
 11 property taxes.

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

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

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

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

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

29 (A) the net assessed value of all the property as finally
 30 determined for the assessment date immediately preceding the
 31 effective date of the allocation provision of the declaratory
 32 resolution, as adjusted under subsection (h); 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 government
 36 finance, within the allocation area, as finally determined for
 37 the current assessment date.

38 (3) If:

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

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

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

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

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

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

33 (b) A resolution adopted under section 8 of this chapter on or before
 34 the allocation deadline determined under subsection (i) may include a
 35 provision with respect to the allocation and distribution of property
 36 taxes for the purposes and in the manner provided in this section. A
 37 resolution previously adopted may include an allocation provision by
 38 the amendment of that resolution on or before the allocation deadline
 39 determined under subsection (i) in accordance with the procedures
 40 required for its original adoption. A declaratory resolution or
 41 amendment that establishes an allocation provision must include a
 42 specific finding of fact, supported by evidence, that the adoption of the

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

35 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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1 question conducted after April 30, 2010, not otherwise included
 2 in subdivision (1) shall be allocated to and, when collected, paid
 3 into the funds of the taxing unit for which the referendum or local
 4 public question was conducted.

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

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

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

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

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

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

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

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

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

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

42 (i) in the allocation area; and

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1 (ii) on a parcel of real property that has been classified as
 2 industrial property under the rules of the department of local
 3 government finance.
 4 However, the total amount of money spent for this purpose in
 5 any year may not exceed the total amount of money in the
 6 allocation fund that is attributable to property taxes paid by the
 7 industrial facilities described in this clause. The
 8 reimbursements under this clause must be made within three
 9 (3) years after the date on which the investments that are the
 10 basis for the increment financing are made.
 11 (J) Pay the costs of carrying out an eligible efficiency project
 12 (as defined in IC 36-9-41-1.5) within the unit that established
 13 the redevelopment commission. However, property tax
 14 proceeds may be used under this clause to pay the costs of
 15 carrying out an eligible efficiency project only if those
 16 property tax proceeds exceed the amount necessary to do the
 17 following:
 18 (i) Make, when due, any payments required under clauses
 19 (A) through (I), including any payments of principal and
 20 interest on bonds and other obligations payable under this
 21 subdivision, any payments of premiums under this
 22 subdivision on the redemption before maturity of bonds, and
 23 any payments on leases payable under this subdivision.
 24 (ii) Make any reimbursements required under this
 25 subdivision.
 26 (iii) Pay any expenses required under this subdivision.
 27 (iv) Establish, augment, or restore any debt service reserve
 28 under this subdivision.
 29 (K) Expend money and provide financial assistance as
 30 authorized in section 7(a)(21) of this chapter.
 31 The special fund may not be used for operating expenses of the
 32 commission.
 33 (4) Before June 15 of each year, the commission shall do the
 34 following:
 35 (A) Determine the amount, if any, by which the assessed value
 36 of the taxable property in the allocation area for the most
 37 recent assessment date minus the base assessed value, when
 38 multiplied by the estimated tax rate of the allocation area will
 39 exceed the amount of assessed value needed to provide the
 40 property taxes necessary to make, when due, principal and
 41 interest payments on bonds described in subdivision (3) plus
 42 the amount necessary for other purposes described in

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1 subdivision (3) and subsection (g).

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

8 The notice must:

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

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

16 The county auditor shall allocate to the respective taxing units
17 the amount, if any, of excess assessed value determined by the
18 commission. The commission may not authorize an allocation
19 to the respective taxing units under this subdivision if to do so
20 would endanger the interests of the holders of bonds described
21 in subdivision (3). **If a commission fails to provide the
22 notice under this clause, the county auditor shall allocate
23 five percent (5%) of the assessed value in the allocation
24 area that is used to calculate the allocation and distribution
25 of allocated tax proceeds under this section to the
26 respective taxing units. However, if the commission notifies
27 the county auditor and the department of local government
28 finance, no later than July 1, that it is unable to meet its
29 debt service obligations with regard to the allocation area
30 without all or part of the allocated tax proceeds attributed
31 to the assessed value that has been allocated to the
32 respective taxing units, then the county auditor may not
33 allocate five percent (5%) of the assessed value in the
34 allocation area that is used to calculate the allocation and
35 distribution of allocated tax proceeds under this section to
36 the respective taxing units.**

37 (C) If:

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

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

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

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

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

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

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

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

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

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

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

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

21 (A) Businesses operating in the enterprise zone.

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

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

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

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1 district under this section. However, the adjustments under this
 2 subsection may not include the effect of property tax abatements under
 3 IC 6-1.1-12.1, and these adjustments may not produce less property tax
 4 proceeds allocable to the redevelopment district under subsection
 5 (b)(3) than would otherwise have been received if the reassessment
 6 under the reassessment plan or annual adjustment had not occurred.
 7 ~~The department of local government finance may prescribe procedures~~
 8 ~~for county and township officials to follow to assist the department in~~
 9 ~~making the adjustments.~~ **The county auditor shall, in the manner**
 10 **prescribed by the department of local government finance, submit**
 11 **the forms required by this subsection to the department of local**
 12 **government finance no later than July 15 of each year.**

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

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

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

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

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

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

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

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

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

40 (k) For an allocation area established after June 30, 2024,
 41 "residential property" refers to the assessed value of property that is
 42 allocated to the one percent (1%) homestead land and improvement

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1 categories in the county tax and billing software system, along with the
 2 residential assessed value as defined for purposes of calculating the
 3 rate for the local income tax property tax relief credit designated for
 4 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

5 SECTION 157. IC 36-7-15.1-35, AS AMENDED BY P.L.257-2019,
 6 SECTION 128, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section
 8 26(a) of this chapter, with respect to the allocation and distribution of
 9 property taxes for the accomplishment of a program adopted under
 10 section 32 of this chapter, "base assessed value" means, subject to
 11 section 26(j) of this chapter, the net assessed value of all of the land as
 12 finally determined for the assessment date immediately preceding the
 13 effective date of the allocation provision, as adjusted under section
 14 26(h) of this chapter. However, "base assessed value" does not include
 15 the value of real property improvements to the land.

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

- 20 (1) The construction, rehabilitation, or repair of residential units
 21 within the allocation area.
- 22 (2) The construction, reconstruction, or repair of infrastructure
 23 (such as streets, sidewalks, and sewers) within or serving the
 24 allocation area.
- 25 (3) The acquisition of real property and interests in real property
 26 within the allocation area.
- 27 (4) The demolition of real property within the allocation area.
- 28 (5) To provide financial assistance to enable individuals and
 29 families to purchase or lease residential units within the allocation
 30 area. However, financial assistance may be provided only to those
 31 individuals and families whose income is at or below the county's
 32 median income for individuals and families, respectively.
- 33 (6) To provide financial assistance to neighborhood development
 34 corporations to permit them to provide financial assistance for the
 35 purposes described in subdivision (5).
- 36 (7) For property taxes first due and payable before 2009, to
 37 provide each taxpayer in the allocation area a credit for property
 38 tax replacement as determined under subsections (c) and (d).
 39 However, this credit may be provided by the commission only if
 40 the city-county legislative body establishes the credit by
 41 ordinance adopted in the year before the year in which the credit
 42 is provided.

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

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

9 STEP TWO: Divide:

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

14 (B) the amount determined under STEP ONE.

15 STEP THREE: Multiply:

16 (A) the STEP TWO quotient; by

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

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

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

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

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

42 If the tax increment is insufficient to grant the credit in full, the

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1 commission may grant the credit in part, prorated among all taxpayers.

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

6 (1) Accomplish one (1) or more of the actions set forth in section
7 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

8 (2) Reimburse the consolidated city for expenditures made by the
9 city in order to accomplish the housing program in that allocation
10 area.

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

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

17 (1) Determine the amount, if any, by which the assessed value of
18 the taxable property in the allocation area, when multiplied by the
19 estimated tax rate of the allocation area, will exceed the amount
20 of assessed value needed to produce the property taxes necessary
21 to:

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

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

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

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

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

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

40 (B) state that the commission has determined that there is no
41 excess assessed value that may be allocated to the respective
42 taxing units in the manner prescribed in section 26(b)(1) of

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

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

31 SECTION 158. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,
 32 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 UPON PASSAGE]: Sec. 53. (a) As used in this section:

34 "Allocation area" means that part of a redevelopment project area
 35 to which an allocation provision of a resolution adopted under section
 36 40 of this chapter refers for purposes of distribution and allocation of
 37 property taxes.

38 "Base assessed value" means, subject to subsection (j):
 39 (1) the net assessed value of all the property as finally determined
 40 for the assessment date immediately preceding the effective date
 41 of the allocation provision of the declaratory resolution, as
 42 adjusted under subsection (h); plus

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1 (2) to the extent that it is not included in subdivision (1), the net
 2 assessed value of property that is assessed as residential property
 3 under the rules of the department of local government finance, as
 4 finally determined for the current assessment date.

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

7 (b) A resolution adopted under section 40 of this chapter on or
 8 before the allocation deadline determined under subsection (i) may
 9 include a provision with respect to the allocation and distribution of
 10 property taxes for the purposes and in the manner provided in this
 11 section. A resolution previously adopted may include an allocation
 12 provision by the amendment of that resolution on or before the
 13 allocation deadline determined under subsection (i) in accordance with
 14 the procedures required for its original adoption. A declaratory
 15 resolution or an amendment that establishes an allocation provision
 16 must be approved by resolution of the legislative body of the excluded
 17 city and must specify an expiration date for the allocation provision.
 18 For an allocation area established before July 1, 2008, the expiration
 19 date may not be more than thirty (30) years after the date on which the
 20 allocation provision is established. For an allocation area established
 21 after June 30, 2008, the expiration date may not be more than
 22 twenty-five (25) years after the date on which the first obligation was
 23 incurred to pay principal and interest on bonds or lease rentals on
 24 leases payable from tax increment revenues. However, with respect to
 25 bonds or other obligations that were issued before July 1, 2008, if any
 26 of the bonds or other obligations that were scheduled when issued to
 27 mature before the specified expiration date and that are payable only
 28 from allocated tax proceeds with respect to the allocation area remain
 29 outstanding as of the expiration date, the allocation provision does not
 30 expire until all of the bonds or other obligations are no longer
 31 outstanding. The allocation provision may apply to all or part of the
 32 redevelopment project area. The allocation provision must require that
 33 any property taxes subsequently levied by or for the benefit of any
 34 public body entitled to a distribution of property taxes on taxable
 35 property in 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 date
 39 with respect to which the allocation and distribution is made;
 40 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 local
- 9 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 may
- 14 be used by the redevelopment district only to do one (1) or more
- 15 of the following:
- 16 (A) Pay the principal of and interest on any obligations
- 17 payable solely from allocated tax proceeds that are incurred by
- 18 the redevelopment district for the purpose of financing or
- 19 refinancing the redevelopment of that allocation area.
- 20 (B) Establish, augment, or restore the debt service reserve for
- 21 bonds payable solely or in part from allocated tax proceeds in
- 22 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 50 of this chapter.
- 26 (D) Pay the principal of and interest on bonds issued by the
- 27 excluded city to pay for local public improvements that are
- 28 physically located in or physically connected to that allocation
- 29 area.
- 30 (E) Pay premiums on the redemption before maturity of bonds
- 31 payable solely or in part from allocated tax proceeds in that
- 32 allocation area.
- 33 (F) Make payments on leases payable from allocated tax
- 34 proceeds in that allocation area under section 46 of this
- 35 chapter.
- 36 (G) Reimburse the excluded city for expenditures for local
- 37 public improvements (which include buildings, park facilities,
- 38 and other items set forth in section 45 of this chapter) that are
- 39 physically located in or physically connected to that allocation
- 40 area.
- 41 (H) Reimburse the unit for rentals paid by it for a building or
- 42 parking facility that is physically located in or physically

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

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

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

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

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

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

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

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

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

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

32 (A) Businesses operating in the enterprise zone.

33 (B) Businesses that will move their operations to the enterprise
 34 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 part
 39 of the allocation area that is also located in the enterprise zone.

40 (h) The state board of accounts and department of local government
 41 finance shall make the rules and prescribe the forms and procedures
 42 that they consider expedient for the implementation of this chapter.

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1 After each reassessment of real property in an area under a county's
 2 reassessment plan prepared under IC 6-1.1-4-4.2, 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 one (1) time to neutralize any effect of the reassessment
 6 of the real property in the area on the property tax proceeds allocated
 7 to the redevelopment district under this section. After each annual
 8 adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~
 9 ~~finance~~ **county auditor** shall, **on forms prescribed by the**
 10 **department of local government finance**, adjust the base assessed
 11 value to neutralize any effect of the annual adjustment on the property
 12 tax proceeds allocated to the redevelopment district under this section.
 13 However, the adjustments under this subsection may not include the
 14 effect of property tax abatements under IC 6-1.1-12.1, and these
 15 adjustments may not produce less property tax proceeds allocable to
 16 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.**

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

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

28 (2) Subject to subdivision (3), the initial allocation deadline and
 29 subsequent allocation deadlines are automatically extended in
 30 increments of five (5) years, so that allocation deadlines
 31 subsequent to the initial allocation deadline fall on December 31,
 32 2016, and December 31 of each fifth year thereafter.

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

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

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

40 (j) If the commission adopts a declaratory resolution or an
 41 amendment to a declaratory resolution that contains an allocation
 42 provision and the commission makes either of the filings required

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1 under section 10(e) of this chapter after the first anniversary of the
2 effective date of the allocation provision, the auditor of the county in
3 which the unit is located shall compute the base assessed value for the
4 allocation area using the assessment date immediately preceding the
5 later of:

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

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

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

17 SECTION 159. IC 36-7-15.1-53, AS AMENDED BY P.L.68-2025,
18 SECTION 236, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2028]: Sec. 53. (a) As used in this section:

20 "Allocation area" means that part of a redevelopment project area
21 to which an allocation provision of a resolution adopted under section
22 40 of this chapter refers for purposes of distribution and allocation of
23 property taxes.

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

25 (1) 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 of the declaratory resolution, as
28 adjusted under subsection (h); plus

29 (2) to the extent that it is not included in subdivision (1), the net
30 assessed value of property that is assessed as residential property
31 under the rules of the department of local government finance, as
32 finally determined for the current assessment date.

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

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

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

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1 of the following:

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

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

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

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

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

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

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

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

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

33 (i) in the allocation area; and

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

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

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- 1 basis for the increment financing are made.
 2 The special fund may not be used for operating expenses of the
 3 commission.
 4 (4) Before June 15 of each year, the commission shall do the
 5 following:
 6 (A) Determine the amount, if any, by which the assessed value
 7 of the taxable property in the allocation area for the most
 8 recent assessment date minus the base assessed value, when
 9 multiplied by the estimated tax rate of the allocation area, will
 10 exceed the amount of assessed value needed to provide the
 11 property taxes necessary to make, when due, principal and
 12 interest payments on bonds described in subdivision (3) plus
 13 the amount necessary for other purposes described in
 14 subdivision (3) and subsection (g).
 15 (B) Provide a written notice to the county auditor, the fiscal
 16 body of the county or municipality that established the
 17 department of redevelopment, the officers who are authorized
 18 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 19 each of the other taxing units that is wholly or partly located
 20 within the allocation area, and (in an electronic format) the
 21 department of local government finance. The notice must:
 22 (i) state the amount, if any, of excess assessed value that the
 23 commission has determined may be allocated to the
 24 respective taxing units in the manner prescribed in
 25 subdivision (1); or
 26 (ii) state that the commission has determined that there is no
 27 excess assessed value that may be allocated to the respective
 28 taxing units in the manner prescribed in subdivision (1).
 29 The county auditor shall allocate to the respective taxing units
 30 the amount, if any, of excess assessed value determined by the
 31 commission. The commission may not authorize an allocation
 32 to the respective taxing units under this subdivision if to do so
 33 would endanger the interests of the holders of bonds described
 34 in subdivision (3). **If a commission fails to provide the
 35 notice under this clause, the county auditor shall allocate
 36 five percent (5%) of the assessed value in the allocation
 37 area that is used to calculate the allocation and distribution
 38 of allocated tax proceeds under this section to the
 39 respective taxing units. However, if the commission notifies
 40 the county auditor and the department of local government
 41 finance, no later than July 1, that it is unable to meet its
 42 debt service obligations with regard to the allocation area**

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

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

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

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

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

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

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

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

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1 payable from allocated tax proceeds under subsection (b)(3) shall
 2 establish a special zone fund and deposit all the property tax proceeds
 3 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 4 derived from property tax proceeds in excess of those described in
 5 subsection (b)(1) and (b)(2) from property located in the enterprise
 6 zone. The unit that creates the special zone fund shall use the fund,
 7 based on the recommendations of the urban enterprise association, for
 8 one (1) or more of the following purposes:

9 (1) To pay for programs in job training, job enrichment, and basic
 10 skill development designed to benefit residents and employers in
 11 the enterprise zone. The programs must reserve at least one-half
 12 (1/2) of the enrollment in any session for residents of the
 13 enterprise zone.

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

18 (A) Businesses operating in the enterprise zone.

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

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

26 (h) The state board of accounts and department of local government
 27 finance shall make the rules and prescribe the forms and procedures
 28 that they consider expedient for the implementation of this chapter.
 29 After each reassessment of real property in an area under a county's
 30 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
 31 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
 32 **by the department of local government finance**, adjust the base
 33 assessed value one (1) time to neutralize any effect of the reassessment
 34 of the real property in the area on the property tax proceeds allocated
 35 to the redevelopment district under this section. After each annual
 36 adjustment under IC 6-1.1-4-4.5, the ~~department of local government~~
 37 ~~finance~~ **county auditor** shall, **on forms prescribed by the**
 38 **department of local government finance**, adjust the base assessed
 39 value to neutralize any effect of the annual adjustment on the property
 40 tax proceeds allocated to the redevelopment district under this section.
 41 However, the adjustments under this subsection may not include the
 42 effect of property tax abatements under IC 6-1.1-12.1, and these

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1 adjustments may not produce less property tax proceeds allocable to
 2 the redevelopment district under subsection (b)(3) than would
 3 otherwise have been received if the reassessment under the county's
 4 reassessment plan or annual adjustment had not occurred. ~~The~~
 5 ~~department of local government finance may prescribe procedures for~~
 6 ~~county and township officials to follow to assist the department in~~
 7 ~~making the adjustments.~~ **The county auditor shall, in the manner**
 8 **prescribed by the department of local government finance, submit**
 9 **the forms required by this subsection to the department of local**
 10 **government finance no later than July 15 of each year.**

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

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

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

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

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

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

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

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

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

38 (k) For an allocation area established after June 30, 2024,
 39 "residential property" refers to the assessed value of property that is
 40 allocated to the one percent (1%) homestead land and improvement
 41 categories in the county tax and billing software system, along with the
 42 residential assessed value as defined for purposes of calculating the

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1 rate for the local income tax property tax relief credit designated for
2 residential property under IC 6-3.6-5-6(d)(3) (before its expiration).

3 SECTION 160. IC 36-7-15.1-62, AS AMENDED BY P.L.257-2019,
4 SECTION 131, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 62. (a) Notwithstanding section
6 26(a) of this chapter, with respect to the allocation and distribution of
7 property taxes for the accomplishment of the purposes of an
8 age-restricted housing program adopted under section 59 of this
9 chapter, "base assessed value" means, subject to section 26(j) of this
10 chapter, the net assessed value of all of the property, other than
11 personal property, as finally determined for the assessment date
12 immediately preceding the effective date of the allocation provision, as
13 adjusted under section 26(h) of this chapter.

14 (b) The allocation fund established under section 26(b) of this
15 chapter for the allocation area for an age-restricted housing program
16 adopted under section 59 of this chapter may be used only for purposes
17 related to the accomplishment of the purposes of the program,
18 including, but not limited to, the following:

- 19 (1) The construction of any infrastructure (including streets,
20 sidewalks, and sewers) or local public improvements in, serving,
21 or benefiting the allocation area.
- 22 (2) The acquisition of real property and interests in real property
23 within the allocation area.
- 24 (3) The preparation of real property in anticipation of
25 development of the real property within the allocation area.
- 26 (4) To do any of the following:
 - 27 (A) Pay the principal of and interest on bonds or any other
28 obligations payable from allocated tax proceeds in the
29 allocation area that are incurred by the redevelopment district
30 for the purpose of financing or refinancing the age-restricted
31 housing program established under section 59 of this chapter
32 for the allocation area.
 - 33 (B) Establish, augment, or restore the debt service reserve for
34 bonds payable solely or in part from allocated tax proceeds in
35 the allocation area.
 - 36 (C) Pay the principal of and interest on bonds payable from
37 allocated tax proceeds in the allocation area and from the
38 special tax levied under section 19 of this chapter.
 - 39 (D) Pay the principal of and interest on bonds issued by the
40 unit to pay for local public improvements that are physically
41 located in or physically connected to the allocation area.
 - 42 (E) Pay premiums on the redemption before maturity of bonds

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- 1 payable solely or in part from allocated tax proceeds in the
- 2 allocation area.
- 3 (F) Make payments on leases payable from allocated tax
- 4 proceeds in the allocation area under section 17.1 of this
- 5 chapter.
- 6 (G) Reimburse the unit for expenditures made by the unit for
- 7 local public improvements (which include buildings, parking
- 8 facilities, and other items described in section 17(a) of this
- 9 chapter) that are physically located in or physically connected
- 10 to the allocation area.
- 11 (c) Notwithstanding section 26(b) of this chapter, the commission
- 12 shall, relative to the allocation fund established under section 26(b) of
- 13 this chapter for an allocation area for an age-restricted housing program
- 14 adopted under section 59 of this chapter, do the following before June
- 15 15 of each year:
- 16 (1) Determine the amount, if any, by which the assessed value of
- 17 the taxable property in the allocation area for the most recent
- 18 assessment date minus the base assessed value, when multiplied
- 19 by the estimated tax rate of the allocation area, will exceed the
- 20 amount of assessed value needed to produce the property taxes
- 21 necessary to:
- 22 (A) make the distribution required under section 26(b)(2) of
- 23 this chapter;
- 24 (B) make, when due, principal and interest payments on bonds
- 25 described in section 26(b)(3) of this chapter;
- 26 (C) pay the amount necessary for other purposes described in
- 27 section 26(b)(3) of this chapter; and
- 28 (D) reimburse the county or municipality for anticipated
- 29 expenditures described in subsection (b)(2).
- 30 (2) Provide a written notice to the county auditor, the fiscal body
- 31 of the county or municipality that established the department of
- 32 redevelopment, the officers who are authorized to fix budgets, tax
- 33 rates, and tax levies under IC 6-1.1-17-5 for each of the other
- 34 taxing units that is wholly or partly located within the allocation
- 35 area, and (in an electronic format) the department of local
- 36 government finance. The notice must:
- 37 (A) state the amount, if any, of excess property taxes that the
- 38 commission has determined may be paid to the respective
- 39 taxing units in the manner prescribed in section 26(b)(1) of
- 40 this chapter; or
- 41 (B) state that the commission has determined that there is no
- 42 excess assessed value that may be allocated to the respective

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

18 SECTION 161. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,
 19 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 UPON PASSAGE]: Sec. 25. (a) The following definitions apply
 21 throughout this section:

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

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

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

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

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

41 Clause (C) applies only to allocation areas established in a
 42 military reuse area after June 30, 1997, and to the part of an

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1 allocation area that was established before June 30, 1997, and that
2 is added to an existing allocation area after June 30, 1997.

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

5 (b) A declaratory resolution adopted under section 10 of this chapter
6 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
7 resolutions adopted under IC 36-7-14-15 may include a provision with
8 respect to the allocation and distribution of property taxes for the
9 purposes and in the manner provided in this section. A declaratory
10 resolution previously adopted may include an allocation provision by
11 the amendment of that declaratory resolution in accordance with the
12 procedures set forth in section 13 of this chapter. The allocation
13 provision may apply to all or part of the military base reuse area. The
14 allocation provision must require that any property taxes subsequently
15 levied by or for the benefit of any public body entitled to a distribution
16 of property taxes on taxable property in the allocation area be allocated
17 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 date
21 with respect to which the allocation and distribution is made;
22 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 are 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 local
33 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 military base reuse district and, when
37 collected, paid into an allocation fund for that allocation area that
38 may be used by the military base reuse district and only to do one
39 (1) or more of the following:

40 (A) Pay the principal of and interest and redemption premium
41 on any obligations incurred by the military base reuse district
42 or any other entity for the purpose of financing or refinancing

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

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1 the amount of property taxes necessary to make, when due,
 2 principal and interest payments on bonds described in
 3 subdivision (3) plus the amount necessary for other purposes
 4 described in subdivision (3).

5 (B) Provide a written notice to the county auditor, the fiscal
 6 body of the unit that established the reuse authority, and the
 7 officers who are authorized to fix budgets, tax rates, and tax
 8 levies under IC 6-1.1-17-5 for each of the other taxing units
 9 that is wholly or partly located within the allocation area. The
 10 notice must:

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

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

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

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

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

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

40 (f) Notwithstanding any other law, the assessed value of all taxable
 41 property in the allocation area, for purposes of tax limitation, property
 42 tax replacement, and the making of the budget, tax rate, and tax levy

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1 for each political subdivision in which the property is located is the
2 lesser of:

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

5 (2) the base assessed value.

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

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

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

19 (i) If the reuse authority adopts a declaratory resolution or an
 20 amendment to a declaratory resolution that contains an allocation
 21 provision and the reuse authority makes either of the filings required
 22 under section 12(c) or 13(f) of this chapter after the first anniversary of
 23 the effective date of the allocation provision, the auditor of the county
 24 in which the military base reuse district is located shall compute the
 25 base assessed value for the allocation area using the assessment date
 26 immediately preceding the later of:

- 27 (1) the date on which the documents are filed with the county
 28 auditor; or
 29 (2) the date on which the documents are filed with the department
 30 of local government finance.

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

38 SECTION 162. IC 36-7-30-25, AS AMENDED BY P.L.68-2025,
 39 SECTION 237, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2028]: Sec. 25. (a) The following definitions
 41 apply throughout this section:

- 42 (1) "Allocation area" means that part of a military base reuse area

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1 to which an allocation provision of a declaratory resolution
 2 adopted under section 10 of this chapter refers for purposes of
 3 distribution and allocation of property 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 the
 7 adoption date of the allocation provision of the declaratory
 8 resolution, as adjusted under subsection (h); plus

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

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

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

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

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

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

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

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1 (B) the base assessed value;
 2 shall be allocated to and, when collected, paid into the funds of
 3 the respective taxing units.
 4 (2) The excess of the proceeds of the property taxes imposed for
 5 the assessment date with respect to which the allocation and
 6 distribution are made that are attributable to taxes imposed after
 7 being approved by the voters in a referendum or local public
 8 question conducted after April 30, 2010, not otherwise included
 9 in subdivision (1) shall be allocated to and, when collected, paid
 10 into the funds of the taxing unit for which the referendum or local
 11 public question was conducted.
 12 (3) Except as otherwise provided in this section, property tax
 13 proceeds in excess of those described in subdivisions (1) and (2)
 14 shall be allocated to the military base reuse district and, when
 15 collected, paid into an allocation fund for that allocation area that
 16 may be used by the military base reuse district and only to do one
 17 (1) or more of the following:
 18 (A) Pay the principal of and interest and redemption premium
 19 on any obligations incurred by the military base reuse district
 20 or any other entity for the purpose of financing or refinancing
 21 military base reuse activities in or directly serving or
 22 benefiting that allocation area.
 23 (B) Establish, augment, or restore the debt service reserve for
 24 bonds payable solely or in part from allocated tax proceeds in
 25 that allocation area or from other revenues of the reuse
 26 authority, including lease rental revenues.
 27 (C) Make payments on leases payable solely or in part from
 28 allocated tax proceeds in that allocation area.
 29 (D) Reimburse any other governmental body for expenditures
 30 made for local public improvements (or structures) in or
 31 directly serving or benefiting that allocation area.
 32 (E) Pay expenses incurred by the reuse authority, any other
 33 department of the unit, or a department of another
 34 governmental entity for local public improvements or
 35 structures that are in the allocation area or directly serving or
 36 benefiting the allocation area, including expenses for the
 37 operation and maintenance of these local public improvements
 38 or structures if the reuse authority determines those operation
 39 and maintenance expenses are necessary or desirable to carry
 40 out the purposes of this chapter.
 41 (F) Reimburse public and private entities for expenses
 42 incurred in training employees of industrial facilities that are

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds

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1 described in subdivision (3) or lessors under section 19 of this
2 chapter.

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

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

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

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

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

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

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

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

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

39 (i) If the reuse authority adopts a declaratory resolution or an
 40 amendment to a declaratory resolution that contains an allocation
 41 provision and the reuse authority makes either of the filings required
 42 under section 12(c) or 13(f) of this chapter after the first anniversary of

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1 the effective date of the allocation provision, the auditor of the county
 2 in which the military base reuse district is located shall compute the
 3 base assessed value for the allocation area using the assessment date
 4 immediately preceding the later of:

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

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

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

16 SECTION 163. IC 36-7-30.5-30, AS AMENDED BY P.L.174-2022,
 17 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 30. (a) The following definitions apply
 19 throughout this section:

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

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

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

29 (B) to the extent that it is not included in clause (A) or (C), the
 30 net assessed value of any and all parcels or classes of parcels
 31 identified as part of the base assessed value in the declaratory
 32 resolution or an amendment to the declaratory resolution, as
 33 finally determined for any subsequent assessment date; plus
 34 (C) to the extent that it is not included in clause (A) or (B), the
 35 net assessed value of property that is assessed as residential
 36 property under the rules of the department of local government
 37 finance, within the allocation area, as finally determined for
 38 the current assessment date.

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

41 (b) A declaratory resolution adopted under section 16 of this chapter
 42 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory

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1 resolutions adopted under IC 36-7-14-15 may include a provision with
 2 respect to the allocation and distribution of property taxes for the
 3 purposes and in the manner provided in this section. A declaratory
 4 resolution previously adopted may include an allocation provision by
 5 the amendment of that declaratory resolution in accordance with the
 6 procedures set forth in section 18 of this chapter. The allocation
 7 provision may apply to all or part of the military base development
 8 area. The allocation provision must require that any property taxes
 9 subsequently levied by or for the benefit of any public body entitled to
 10 a distribution of property taxes on taxable property in the allocation
 11 area be allocated and distributed as follows:

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

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

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

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

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

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

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

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- 1 (C) Make payments on leases payable solely or in part from
 2 allocated tax proceeds in that allocation area.
- 3 (D) Reimburse any other governmental body for expenditures
 4 made for local public improvements (or structures) in or
 5 directly serving or benefiting that allocation area.
- 6 (E) For property taxes first due and payable before 2009, pay
 7 all or a part of a property tax replacement credit to taxpayers
 8 in an allocation area as determined by the development
 9 authority. This credit equals the amount determined under the
 10 following STEPS for each taxpayer in a taxing district (as
 11 defined in IC 6-1.1-1-20) that contains all or part of the
 12 allocation area:
 13 STEP ONE: Determine that part of the sum of the amounts
 14 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 15 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 16 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 17 the taxing district.
 18 STEP TWO: Divide:
 19 (i) that part of each county's eligible property tax
 20 replacement amount (as defined in IC 6-1.1-21-2 (before its
 21 repeal)) for that year as determined under IC 6-1.1-21-4
 22 (before its repeal) that is attributable to the taxing district;
 23 by
 24 (ii) the STEP ONE sum.
- 25 STEP THREE: Multiply:
 26 (i) the STEP TWO quotient; by
 27 (ii) the total amount of the taxpayer's taxes (as defined in
 28 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 29 that have been allocated during that year to an allocation
 30 fund under this section.
- 31 If not all the taxpayers in an allocation area receive the credit
 32 in full, each taxpayer in the allocation area is entitled to
 33 receive the same proportion of the credit. A taxpayer may not
 34 receive a credit under this section and a credit under section
 35 32 of this chapter (before its repeal) in the same year.
- 36 (F) Pay expenses incurred by the development authority for
 37 local public improvements or structures that were in the
 38 allocation area or directly serving or benefiting the allocation
 39 area.
- 40 (G) Reimburse public and private entities for expenses
 41 incurred in training employees of industrial facilities that are
 42 located:

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

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

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

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

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

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

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

29 (i) state the amount, if any, of the excess property taxes that
 30 the development authority has determined may be paid to
 31 the respective taxing units in the manner prescribed in
 32 subdivision (1); or

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

37 The county auditors shall allocate to the respective taxing units
 38 the amount, if any, of excess assessed value determined by the
 39 development authority. The development authority may not
 40 authorize a payment to the respective taxing units under this
 41 subdivision if to do so would endanger the interest of the
 42 holders of bonds described in subdivision (3) or lessors under

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1 section 24 of this chapter. Property taxes received by a taxing
 2 unit under this subdivision before 2009 are eligible for the
 3 property tax replacement credit provided under IC 6-1.1-21
 4 (before its repeal).

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

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

11 (2) the base assessed value.

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

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

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

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

27 (2) the base assessed value.

28 (g) If any part of the allocation area is located in an enterprise zone
 29 created under IC 5-28-15, the development authority shall create funds
 30 as specified in this subsection. A development authority that has
 31 obligations, bonds, or leases payable from allocated tax proceeds under
 32 subsection (b)(3) shall establish an allocation fund for the purposes
 33 specified in subsection (b)(3) and a special zone fund. The
 34 development authority shall, until the end of the enterprise zone phase
 35 out period, deposit each year in the special zone fund any amount in the
 36 allocation fund derived from property tax proceeds in excess of those
 37 described in subsection (b)(1) and (b)(2) from property located in the
 38 enterprise zone that exceeds the amount sufficient for the purposes
 39 specified in subsection (b)(3) for the year. The amount sufficient for
 40 purposes specified in subsection (b)(3) for the year shall be determined
 41 based on the pro rata part of such current property tax proceeds from
 42 the part of the enterprise zone that is within the allocation area as

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

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

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 department
11 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 164. IC 36-7-30.5-30, AS AMENDED BY P.L.68-2025,
20 SECTION 238, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE UPON PASSAGE]: 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 taxes.
- 27 (2) "Base assessed value" means, subject to subsection (i):
28 (A) the net assessed value of all the property as finally
29 determined for the assessment date immediately preceding the
30 adoption date of the allocation provision of the declaratory
31 resolution, as adjusted under subsection (h); plus
32 (B) to the extent that it is not included in clause (A) or (C), the
33 net assessed value of any and all parcels or classes of parcels
34 identified as part of the base assessed value in the declaratory
35 resolution or an amendment to the declaratory resolution, as
36 finally determined for any subsequent assessment date; plus
37 (C) to the extent that it is not included in clause (A) or (B), the
38 net assessed value of property that is assessed as residential
39 property under the rules of the department of local government
40 finance, within the allocation area, as finally determined for
41 the current assessment date.
- 42 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real

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- 1 property.
- 2 (b) A declaratory resolution adopted under section 16 of this chapter
 3 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 4 resolutions adopted under IC 36-7-14-15 may include a provision with
 5 respect to the allocation and distribution of property taxes for the
 6 purposes and in the manner provided in this section. A declaratory
 7 resolution previously adopted may include an allocation provision by
 8 the amendment of that declaratory resolution in accordance with the
 9 procedures set forth in section 18 of this chapter. The allocation
 10 provision may apply to all or part of the military base development
 11 area. The allocation provision must require that any property taxes
 12 subsequently levied by or for the benefit of any public body entitled to
 13 a distribution of property taxes on taxable property in the allocation
 14 area be allocated and distributed as follows:
- 15 (1) Except as otherwise provided in this section, the proceeds of
 16 the taxes attributable to the lesser of:
- 17 (A) the assessed value of the property for the assessment date
 18 with respect to which the allocation and distribution is made;
 19 or
 20 (B) the base assessed value;
- 21 shall be allocated to and, when collected, paid into the funds of
 22 the respective taxing units.
- 23 (2) The excess of the proceeds of the property taxes imposed for
 24 the assessment date with respect to which the allocation and
 25 distribution is made that are attributable to taxes imposed after
 26 being approved by the voters in a referendum or local public
 27 question conducted after April 30, 2010, not otherwise included
 28 in subdivision (1) shall be allocated to and, when collected, paid
 29 into the funds of the taxing unit for which the referendum or local
 30 public question was conducted.
- 31 (3) Except as otherwise provided in this section, property tax
 32 proceeds in excess of those described in subdivisions (1) and (2)
 33 shall be allocated to the development authority and, when
 34 collected, paid into an allocation fund for that allocation area that
 35 may be used by the development authority and only to do one (1)
 36 or more of the following:
- 37 (A) Pay the principal of and interest and redemption premium
 38 on any obligations incurred by the development authority or
 39 any other entity for the purpose of financing or refinancing
 40 military base development or reuse activities in or directly
 41 serving or benefiting that allocation area.
- 42 (B) Establish, augment, or restore the debt service reserve for

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1 bonds payable solely or in part from allocated tax proceeds in
 2 that allocation area or from other revenues of the development
 3 authority, including lease rental revenues.
 4 (C) Make payments on leases payable solely or in part from
 5 allocated tax proceeds in that allocation area.
 6 (D) Reimburse any other governmental body for expenditures
 7 made for local public improvements (or structures) in or
 8 directly serving or benefiting that allocation area.
 9 (E) For property taxes first due and payable before 2009, pay
 10 all or a part of a property tax replacement credit to taxpayers
 11 in an allocation area as determined by the development
 12 authority. This credit equals the amount determined under the
 13 following STEPS for each taxpayer in a taxing district (as
 14 defined in IC 6-1.1-1-20) that contains all or part of the
 15 allocation area:
 16 STEP ONE: Determine that part of the sum of the amounts
 17 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 18 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 19 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 20 the taxing district.
 21 STEP TWO: Divide:
 22 (i) that part of each county's eligible property tax
 23 replacement amount (as defined in IC 6-1.1-21-2 (before its
 24 repeal)) for that year as determined under IC 6-1.1-21-4
 25 (before its repeal) that is attributable to the taxing district;
 26 by
 27 (ii) the STEP ONE sum.
 28 STEP THREE: Multiply:
 29 (i) the STEP TWO quotient; by
 30 (ii) the total amount of the taxpayer's taxes (as defined in
 31 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 32 that have been allocated during that year to an allocation
 33 fund under this section.
 34 If not all the taxpayers in an allocation area receive the credit
 35 in full, each taxpayer in the allocation area is entitled to
 36 receive the same proportion of the credit. A taxpayer may not
 37 receive a credit under this section and a credit under section
 38 32 of this chapter (before its repeal) in the same year.
 39 (F) Pay expenses incurred by the development authority for
 40 local public improvements or structures that were in the
 41 allocation area or directly serving or benefiting the allocation
 42 area.

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

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1 authorize a payment to the respective taxing units under this
2 subdivision if to do so would endanger the interest of the
3 holders of bonds described in subdivision (3) or lessors under
4 section 24 of this chapter. Property taxes received by a taxing
5 unit under this subdivision before 2009 are eligible for the
6 property tax replacement credit provided under IC 6-1.1-21
7 (before its repeal).

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

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

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

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

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

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

31 (g) If any part of the allocation area is located in an enterprise zone
32 created under IC 5-28-15, the development authority shall create funds
33 as specified in this subsection. A development authority that has
34 obligations, bonds, or leases payable from allocated tax proceeds under
35 subsection (b)(3) shall establish an allocation fund for the purposes
36 specified in subsection (b)(3) and a special zone fund. The
37 development authority shall, until the end of the enterprise zone phase
38 out period, deposit each year in the special zone fund any amount in the
39 allocation fund derived from property tax proceeds in excess of those
40 described in subsection (b)(1) and (b)(2) from property located in the
41 enterprise zone that exceeds the amount sufficient for the purposes
42 specified in subsection (b)(3) for the year. The amount sufficient for

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

21 (h) After each reassessment of real property in an area under a
 22 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
 23 ~~local government finance county auditor~~ shall, **on forms prescribed**
 24 **by the department of local government finance**, adjust the base
 25 assessed value one (1) time to neutralize any effect of the reassessment
 26 of the real property in the area on the property tax proceeds allocated
 27 to the military base development district under this section. After each
 28 annual adjustment under IC 6-1.1-4-4.5, the ~~department of local~~
 29 ~~government finance county auditor~~ shall, **on forms prescribed by the**
 30 **department of local government finance**, adjust the base assessed
 31 value to neutralize any effect of the annual adjustment on the property
 32 tax proceeds allocated to the military base development district under
 33 this section. However, the adjustments under this subsection may not
 34 include the effect of property tax abatements under IC 6-1.1-12.1, and
 35 these adjustments may not produce less property tax proceeds allocable
 36 to the military base development district under subsection (b)(3) than
 37 would otherwise have been received if the reassessment under the
 38 county's reassessment plan or annual adjustment had not occurred. ~~The~~
 39 ~~department of local government finance may prescribe procedures for~~
 40 ~~county and township officials to follow to assist the department in~~
 41 ~~making the adjustments. The county auditor shall, in the manner~~
 42 **prescribed by the department of local government finance, submit**

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1 **the forms required by this subsection to the department of local**
2 **government finance no later than July 15 of each year.**

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

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

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

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

22 SECTION 165. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,
23 SECTION 349, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) The state board of
25 accounts and department of local government finance shall make the
26 rules and prescribe the forms and procedures that the state board of
27 accounts and department of local government finance consider
28 appropriate for the implementation of an allocation area under this
29 chapter.

30 (b) After each reassessment of real property in an area under a
31 reassessment plan prepared under IC 6-1.1-4-4.2, the ~~department of~~
32 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
33 **by the department of local government finance**, adjust the base
34 assessed value one (1) time to neutralize any effect of the reassessment
35 of the real property in the area on the property tax proceeds allocated
36 to the certified technology park fund under section 17 of this chapter.
37 After each annual adjustment under IC 6-1.1-4-4.5, the ~~department of~~
38 ~~local government finance~~ **county auditor** shall, **on forms prescribed**
39 **by the department of local government finance**, adjust the base
40 assessed value to neutralize any effect of the annual adjustment on the
41 property tax proceeds allocated to the certified technology park fund
42 under section 17 of this chapter.

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1 **(c) 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.**

5 SECTION 166. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022,
 6 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 16. (a) The state board of accounts, the
 8 department of state revenue, and the department of local government
 9 finance may adopt rules under IC 4-22-2 and prescribe the forms and
 10 procedures that the state board of accounts, the department of state
 11 revenue, and the department of local government finance consider
 12 appropriate for the implementation of an innovation development
 13 district under this chapter. However, before adopting rules under this
 14 section, the state board of accounts, the department of state revenue,
 15 and the department of local government finance shall submit a report
 16 to the budget committee that:

17 (1) describes the rules proposed by the state board of accounts,
 18 the department of state revenue, and the department of local
 19 government finance; and

20 (2) recommends statutory changes necessary to implement the
 21 provisions of this chapter.

22 (b) After each reassessment of real property in an area under a
 23 county's reassessment plan prepared under IC 6-1.1-4-4.2, 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 one (1) time to neutralize any effect of
 27 the reassessment of the real property in the area on the property tax
 28 proceeds allocated to the local innovation development district fund
 29 established by section 19 of this chapter.

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

37 **(d) The county auditor shall, in the manner prescribed by the**
 38 **department of local government finance, submit the forms**
 39 **required by this section to the department of local government**
 40 **finance no later than July 15 of each year.**

41 SECTION 167. IC 36-7-42.5 IS ADDED TO THE INDIANA
 42 CODE AS A NEW CHAPTER TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2026]:

2 **Chapter 42.5. Tourism Improvement Districts**

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

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

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

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

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

18 **Sec. 6. As used in this chapter, "improvements" means the**
 19 **acquisition, construction, installation, or maintenance of any**
 20 **tangible property in the district with an estimated useful life of five**
 21 **(5) years or more.**

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

24 **Sec. 8. As used in this chapter, "owner" refers to any person**
 25 **recognized by the unit as the owner of a business within the**
 26 **district, without regard to whether the person is the owner of the**
 27 **real property on which the business is located.**

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

33 **(b) A petition for the establishment of a district may be filed**
 34 **with the clerk of the municipality or the county auditor not later**
 35 **than one hundred twenty (120) days after the date on which the**
 36 **notice of intent for the petition is filed with the clerk of the**
 37 **municipality or the county auditor under subsection (a). The**
 38 **petition shall include the name and legal status of the filing party**
 39 **and the district plan.**

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

41 **(1) The name of the proposed district.**

42 **(2) Subject to section 9.5 of this chapter, a map of the**

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1 proposed district, including a description of the boundaries of
 2 the district in a manner sufficient to identify the businesses
 3 included.

4 (3) The proposed source or sources of financing, including:

5 (A) the proposed method and basis of levying the special
 6 assessment in sufficient detail to allow each owner to
 7 calculate the amount of the special assessment that may be
 8 levied against the owner's business; and

9 (B) whether the district may issue bonds to finance
 10 improvements.

11 (4) A list of the businesses to be assessed and a statement of
 12 the manner in which the expenses of a district using a method
 13 allowed under section 11 of this chapter will be imposed upon
 14 a benefited business in proportion to the benefit received by
 15 the business, including costs for operation and maintenance.

16 (5) For purposes of imposing the special assessment and
 17 determining the benefits of the district's activities and
 18 improvements, a classification of the types of businesses
 19 within the proposed district. The classification may include
 20 the following variations in the assessment formula:

21 (A) Square footage of the business.

22 (B) Number of employees.

23 (C) Geography.

24 (D) Gross sales.

25 (E) Other similar factors that reasonably relate to the
 26 benefit received.

27 (6) An estimate of the amount of revenue needed to
 28 accomplish or pay for the district's proposed activities and
 29 improvements.

30 (7) Subject to section 9.5 of this chapter, a statement
 31 identifying the district management association, including the
 32 district management association's board of directors and
 33 governance structure and any proposed rules or regulations
 34 that may be applicable to the district.

35 (8) A statement indicating where a complete copy of the
 36 district plan, whether in hard copy or electronic form, may be
 37 obtained or accessed.

38 (9) Any other item or matter required to be incorporated in
 39 the district plan by the unit's legislative body. The legislative
 40 body may require in the district plan that the boundaries of
 41 the district be drawn to:

42 (A) exclude businesses; or

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

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1 the proposed district. The clerk of the municipality or the county
 2 auditor shall mail a copy of the notice to each owner within the
 3 proposed district. The notice must include the boundaries of the
 4 proposed district, a description of the proposed activities and
 5 improvements, the proposed formula for determining the
 6 percentage of the total benefit to be received by each business, the
 7 method of determining the benefit received by each business, and
 8 the hearing date. The date of the hearing may not be more than
 9 sixty (60) days after the date on which the notice is mailed.

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

- 13 (1) the sufficiency of the notice;
- 14 (2) whether the proposed activities and improvements are of
 15 public utility and benefit;
- 16 (3) whether the formula or method to be used for the
 17 assessment of special benefits is appropriate;
- 18 (4) whether the district contains all, or more or less than all,
 19 of the territory specially benefited by the activities and
 20 improvements; and
- 21 (5) whether each individual business owner:
 - 22 (A) that did not sign to approve the petition; and
 - 23 (B) would be subject to the assessment of the district that
 24 has otherwise reached the approval threshold;
 25 wishes to make a request for exclusion from the district, to be
 26 approved or denied by the legislative body before the final
 27 passage of the ordinance establishing the district.

28 Sec. 13. (a) After conducting a hearing on the proposed district,
 29 the legislative body may adopt an ordinance establishing the
 30 district if it determines that:

- 31 (1) the petition meets the requirements of this section and
 32 sections 9 through 11 of this chapter;
- 33 (2) the activities and improvements to be undertaken in the
 34 district will provide special benefits to businesses in the
 35 district and will be of public utility and benefit;
- 36 (3) the benefits provided by the activities and improvements
 37 will be new benefits that do not replace benefits existing
 38 before the establishment of the district; and
- 39 (4) the formula or method to be used for the assessment of
 40 special benefits is appropriate.

41 (b) The legislative body may adopt the ordinance only if it
 42 determines that the petition has been signed by:

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- 1 (1) at least sixty-seven percent (67%) of the owners of
- 2 businesses within the proposed district; and
- 3 (2) the owners of businesses within the proposed district that
- 4 constitute more than fifty percent (50%) of the revenue to be
- 5 collected from the special assessments.

- 6 (c) The ordinance shall:
- 7 (1) incorporate the information set forth in the district plan;
- 8 (2) specify the time and manner in which special assessments
- 9 levied under this chapter are to be collected and paid to the
- 10 unit's fiscal officer for deposit in the tourism improvement
- 11 fund established under section 14 of this chapter; and
- 12 (3) include any other content that the legislative body
- 13 determines is reasonable as it relates to the operation of the
- 14 district.

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

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

24 Sec. 14. (a) The unit's fiscal officer shall establish a special fund,
 25 known as the tourism improvement fund, and shall deposit in the
 26 tourism improvement fund all special assessments received under
 27 this chapter and any other amounts received by the fiscal officer.

28 (b) The unit's fiscal officer may transfer money in the tourism
 29 improvement fund to the district management association to be
 30 used only for the purposes specified in the ordinance establishing
 31 the district. Any bonds issued under this chapter are payable solely
 32 from special assessments deposited in the tourism improvement
 33 fund and other revenues of the district.

34 (c) Any money earned from investment of money in the tourism
 35 improvement fund becomes a part of the tourism improvement
 36 fund.

37 Sec. 15. (a) The unit shall contract with the district management
 38 association designated in the district plan to administer and
 39 implement the district's activities and improvements.

40 (b) The district management association may be either an
 41 existing nonprofit corporation or a newly formed nonprofit
 42 corporation. If the district management association is a new

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1 nonprofit corporation created to manage the district, the certificate
2 of incorporation or bylaws of the district management association
3 shall provide for voting representation of owners within the
4 district. If the district management association is an existing
5 nonprofit corporation, the existing nonprofit corporation may
6 create a committee of district owners or owners' representatives.

7 (c) The district management association may make
8 recommendations to the unit's legislative body with respect to any
9 matter involving or relating to the district.

10 (d) The unit's legislative body, for any consideration that it
11 considers appropriate, may license or grant to the district
12 management association the right to undertake or permit
13 commercial activities or other private uses of the streets or other
14 parts of the district in which the unit has any real property
15 interest.

16 Sec. 16. (a) A district may issue bonds to provide improvements.
17 The term of any bonds issued may not exceed ten (10) years. If a
18 district is renewed under section 17 of this chapter, the term of any
19 bonds issued may not exceed ten (10) years from the date of
20 renewal.

21 (b) Bonds issued under this chapter do not constitute an
22 indebtedness of the unit within the meaning of a constitutional or
23 statutory debt limitation.

24 Sec. 17. (a) The initial term for a district shall be at least three
25 (3) years and not more than ten (10) years.

26 (b) A district may be renewed for one (1) additional period of
27 not more than ten (10) years by following the procedures for the
28 initial establishment of a district as set forth in sections 9 through
29 13 of this chapter.

30 (c) If a district is renewed, any remaining revenues derived from
31 the levy of a special assessment, or any revenues derived from the
32 sale of assets acquired with the revenues, shall be transferred to the
33 renewed district. The following apply to the transfer of any
34 remaining revenues of a renewed district:

35 (1) If the renewed district includes a business not included in
36 the prior district, the remaining revenues shall be spent to
37 benefit only the business in the prior district.

38 (2) If the renewed district does not include a business included
39 in the prior district, the remaining revenues attributable to
40 the parcel shall be refunded to the owners of the business by
41 applying the method the district used under section 11 of this
42 chapter to calculate the special assessment before the renewal.

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1 (d) The boundaries, special assessments, improvements, or
2 activities of a renewed district are not required to be the same as
3 the original or prior district.

4 Sec. 18. An ordinance adopted under section 13 of this chapter
5 may be amended if notice of the proposed amendment is published
6 and mailed in the manner provided by section 12 of this chapter.
7 However, if an amendment proposes to:

- 8 (1) levy a new or increased special assessment;
9 (2) change the district's boundaries; or
10 (3) issue a new bond;

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

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

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

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

27 (c) Upon the written petitions of the owners or authorized
28 representatives of businesses in the district that pay fifty percent
29 (50%) or more of the special assessments levied, the unit's
30 legislative body shall pass a resolution of intention to dissolve the
31 district.

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

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

40 The notice of the hearing on the resolution of intent to dissolve the
41 district shall be published in the manner provided by IC 5-3-1 and
42 must also be given by mail to the owner of each business subject to

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1 a special assessment in the district. The legislative body shall
2 conduct the public hearing on the resolution of intention to dissolve
3 the district not later than thirty (30) days after the date the notice
4 is mailed to the assessed owners.

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

8 (f) A dissolution of a district under this section has the effect of
9 repealing the ordinance adopted under section 13 of this chapter
10 that established the district.

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

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

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

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

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

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

26 (1) levy of special assessments; or

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

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

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

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

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

40 However, in lieu of providing a refund, the unit's legislative body
41 may instead elect to spend any remaining revenues on activities
42 and improvements specified in the ordinance that established the

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1 district before its dissolution or expiration without renewal.

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

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

10 SECTION 168. IC 36-7.5-2-10.5 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE FEBRUARY 28, 2026 (RETROACTIVE)]: Sec. 10.5.

13 (a) All bonds, notes, evidences of indebtedness, leases, or other
14 written obligations issued or executed under this article by or in
15 the name of the:

- 16 (1) Indiana finance authority;
- 17 (2) development authority; and
- 18 (3) city of Gary, the Lake County board of commissioners, or
- 19 the Lake County convention center authority established by
- 20 IC 36-7.5-7-9;

21 as authorized or approved by resolution or ordinance adopted by
22 the entity before February 28, 2026, are hereby legalized and
23 declared valid.

24 (b) Any pledge, dedication or designation of revenues,
25 conveyance, or mortgage securing the bonds, notes, evidences of
26 indebtedness, leases, or other written obligations issued or executed
27 under this article by or in the name of the:

- 28 (1) Indiana finance authority;
- 29 (2) development authority; and
- 30 (3) city of Gary, the Lake County board of commissioners, or
- 31 the Lake County convention center authority established by
- 32 IC 36-7.5-7-9;

33 as authorized or approved by resolution or ordinance adopted by
34 the entity before February 28, 2026, are hereby legalized and
35 declared valid.

36 (c) Any resolutions adopted, proceedings had, and actions taken
37 under this article by the:

- 38 (1) Indiana finance authority;
- 39 (2) development authority; and
- 40 (3) city of Gary, the Lake County board of commissioners, or
- 41 the Lake County convention center authority established by
- 42 IC 36-7.5-7-9;

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1 before February 28, 2026, under which the bonds, notes, evidences
2 of indebtedness, leases, or other written obligations were or will be
3 issued or under which the pledge, dedication or designation of
4 revenues, conveyance, or mortgage was or will be granted are
5 hereby legalized and declared valid.

6 (d) An action to contest the validity of any action taken under
7 this article may not be brought after the fifteenth day following the
8 date the resolution of the:

- 9 (1) Indiana finance authority;
- 10 (2) development authority; or
- 11 (3) city of Gary, the Lake County board of commissioners, or
- 12 the Lake County convention center authority established by
- 13 IC 36-7.5-7-9;

14 is adopted approving the action taken.

15 (e) If an action challenging an action taken under this article is
16 not brought within the time prescribed by this section, the lease,
17 contract, bonds, notes, obligations, or other action taken shall be
18 conclusively presumed to be fully authorized and valid under the
19 laws of the state and any person is estopped from further
20 questioning the authorization, validity, execution, delivery, or
21 issuance of the lease, contract, bonds, notes, obligations, or other
22 action.

23 SECTION 169. IC 36-7.5-4.5-18, AS AMENDED BY
24 P.L.236-2023, SECTION 194, IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. If a district is
26 established, the following apply to the administration and use of
27 incremental property tax revenue by the development authority, or a
28 redevelopment commission in the case of a district located in a cash
29 participant county, in the district:

- 30 (1) The department of local government finance county auditor
31 shall, on forms prescribed by the department of local
32 government finance, adjust the base assessed value to neutralize
33 any effect of a reassessment and the annual adjustment of the real
34 property in the district in the same manner as provided in
35 IC 36-7-14-39(h). The county auditor shall, in the manner
36 prescribed by the department of local government finance,
37 submit the forms required by this subdivision to the
38 department of local government finance no later than July 15
39 of each year.
- 40 (2) Proceeds of the property taxes approved by the voters in a
41 referendum or local public question shall be allocated to and,
42 when collected, paid into the funds of the taxing unit for which

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1 the referendum or local public question was conducted in the
2 same manner as provided in IC 36-7-14-39(b)(3).

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

5 (A) To finance the improvement, construction, reconstruction,
6 renovation, and acquisition of real and personal property
7 improvements within a district.

8 (B) To pay the principal of and interest on any obligations that
9 are incurred for the purpose of financing or refinancing
10 development in the district, including local public
11 improvements that are physically located in or physically
12 connected to the district.

13 (C) To establish, augment, or restore the debt service reserve
14 for bonds payable solely or in part from incremental property
15 tax revenue from the district.

16 (D) To pay premiums on the redemption before maturity of
17 bonds payable solely or in part from incremental property tax
18 revenue from the district.

19 (E) To make payments on leases payable from incremental
20 property tax revenue from the district.

21 (F) To reimburse a municipality in which a district is located
22 for expenditures made by the municipality for local public
23 improvements that are physically located in or physically
24 connected to the district.

25 (G) To reimburse a municipality for rentals paid by the
26 municipality for a building or parking facility that is physically
27 located in or physically connected to the district under any
28 lease entered into under IC 36-1-10.

29 (H) To pay expenses incurred by the development authority for
30 local public improvements that are in the district or serving the
31 district.

32 SECTION 170. IC 36-7.5-6-4, AS ADDED BY P.L.195-2023,
33 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 UPON PASSAGE]: Sec. 4. (a) The blighted property demolition fund
35 is established to provide grants to the city of Gary to demolish qualified
36 properties.

37 (b) The fund consists of:

38 (1) appropriations from the general assembly;

39 (2) available federal funds;

40 (3) transfers of money under ~~IC 4-33-13-2.5(b)(1);~~
41 **IC 4-33-13-5(a)(3)(B);**

42 (4) deposits required under section 5(a) and 5(b) of this chapter;

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- 1 and
- 2 (5) gifts, grants, donations, or other contributions from any other
- 3 public or private source.
- 4 (c) The development authority shall administer the fund.
- 5 (d) The treasurer of state shall invest the money in the fund not
- 6 currently needed to meet the obligations of the fund in the same
- 7 manner as other public funds may be invested.
- 8 (e) The money remaining in the fund at the end of a state fiscal year
- 9 does not revert to the state general fund.
- 10 (f) Money in the fund is continuously appropriated for the purposes
- 11 of this chapter.

12 SECTION 171. IC 36-7.5-7-5, AS ADDED BY P.L.195-2023,
 13 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 5. (a) The Lake County economic
 15 development and convention fund is established. The fund shall be
 16 administered by the development authority.

- 17 (b) The convention fund consists of:
- 18 (1) deposits under ~~IC 4-33-13-2.5(b)(2)~~; **IC 4-33-13-5(a)(2)(C)**
- 19 **and IC 4-33-13-5(a)(3)(A)**;
- 20 (2) deposits under subsection (c);
- 21 (3) appropriations to the fund;
- 22 (4) gifts, grants, loans, bond proceeds, and other money received
- 23 for deposit in the fund; and
- 24 (5) other deposits or transfers of funds from local units located in
- 25 Lake County.

26 (c) If a proposal is approved as provided under this chapter, each
 27 state fiscal year, beginning with the first state fiscal year that begins
 28 after the proposal is approved, the approved entity shall deposit up to
 29 five million dollars (\$5,000,000) in the convention fund. **The**
 30 **obligation of the city of Gary, as the approved entity, for each state**
 31 **fiscal year under this subsection is satisfied by the distributions**
 32 **made by the state comptroller on behalf of the city of Gary under**
 33 **IC 4-33-13-5(a)(2)(C). However, if the total amount distributed**
 34 **under IC 4-33-13-5(a)(2)(C) on behalf of the city of Gary with**
 35 **respect to a particular state fiscal year is less than the amount**
 36 **required by this subsection, the fiscal officer of the city of Gary**
 37 **shall transfer the amount of the shortfall to the convention fund**
 38 **from any source of revenue available to the city of Gary other than**
 39 **property taxes. The state comptroller shall certify the amount of**
 40 **any shortfall to the fiscal officer of the city of Gary after making**
 41 **the distribution required by IC 4-33-13-5(a)(2)(C) on behalf of the**
 42 **city of Gary with respect to a particular state fiscal year.**

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1 (d) The development authority shall administer money, including
2 determining amounts to be used and the specific purposes, from the
3 convention fund.

4 (e) Except as provided in section 8(d) of this chapter, the money
5 remaining in the convention fund at the end of a state fiscal year does
6 not revert to the state general fund.

7 (f) Money in the convention fund is continuously appropriated for
8 the purposes of this chapter.

9 (g) Subject to budget committee review, but except as provided in
10 subsection (i), the development authority may receive reimbursement
11 for expenses incurred and a reasonable and customary amount for
12 providing administrative services from money in the convention fund.

13 (h) The development authority shall quarterly report to the budget
14 committee on all uses of money in the convention fund and the status
15 of the convention and event center project.

16 (i) The development authority shall conduct an updated feasibility
17 study related to a potential convention and event center located in Lake
18 County. The development authority shall be reimbursed for the costs
19 of obtaining the updated feasibility study from money in the fund.
20 Budget committee review is not required for reimbursement under this
21 subsection.

22 SECTION 172. IC 36-7.5-7-9, AS ADDED BY P.L.195-2023,
23 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 9. (a) If a proposal is approved under section
25 8 of this chapter, following the approval of the proposal, **and when the**
26 **construction of the convention and event center is substantially**
27 **completed so that the convention and event center can be used for**
28 **its intended purpose**, the Lake County convention center authority is
29 established for the purpose of holding an equal share of ownership of
30 the Lake County convention and event center with the entity whose
31 proposal is approved and for providing general oversight of the upkeep,
32 improvements, and management team as outlined in the accepted
33 proposal. Subject to subsection (e), the convention center authority
34 consists of seven (7) members, appointed as follows:

35 (1) Three (3) members appointed by the entity whose proposal is
36 approved under section 8 of this chapter.

37 (2) Three (3) members appointed by the Lake County board of
38 commissioners.

39 (3) One (1) member appointed by the governor.

40 Individuals appointed to the convention center authority must **be**
41 **Indiana residents and** have professional experience in commercial
42 facility management. **An appointing authority may not appoint an**

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1 **attorney in active standing as a member of the authority.**

2 (b) The term of office for a member of the board is two (2) years.
3 The term begins July 1 of the year in which the member is appointed
4 and ends on June 30 of the second year following the member's
5 appointment. A member may be reappointed after the member's term
6 has expired.

7 (c) A vacancy in membership must be filled in the same manner as
8 the original appointment. Appointments made to fill a vacancy that
9 occurs before the expiration of a term are for the remainder of the
10 unexpired term.

11 (d) The member appointed under subsection (a)(3) shall serve as the
12 chairperson of the convention center authority. The convention center
13 authority shall meet at the call of the chairperson.

14 (e) An individual may not be appointed to the convention center
15 authority if the individual is a party to a contract or agreement with the
16 entity whose proposal is approved, is employed by the entity whose
17 proposal is approved, or otherwise has a direct or indirect financial
18 interest in the entity whose proposal is approved under this chapter.

19 SECTION 173. IC 36-7.5-7-10, AS ADDED BY P.L.195-2023,
20 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 10. (a) A local county fund known as the Lake
22 County convention and event center reserve fund is established to pay
23 for:

24 (1) additions;
25 (2) refurbishment; and
26 (3) budget shortfalls or other unusual costs;
27 of a convention and event center that is constructed using money from
28 the convention fund under this chapter.

29 (b) The reserve fund consists of:
30 (1) transfers under IC 6-9-2-1.5(c); and
31 (2) gifts, grants, donations, or other contributions from any other
32 public or private source.

33 (c) **The Lake County commissioners shall administer the reserve
34 fund until the convention center authority is established.**
35 **Thereafter,** the convention center authority shall administer the
36 reserve fund.

37 SECTION 174. IC 36-7.5-8-3, AS ADDED BY P.L.195-2023,
38 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 UPON PASSAGE]: Sec. 3. (a) The Gary Metro Center station
40 revitalization fund is established to provide funding for the Gary Metro
41 Center station revitalization project.

42 (b) The fund consists of:

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- 1 (1) appropriations from the general assembly;
- 2 (2) available federal funds;
- 3 (3) transfers of money under ~~IC 4-33-13-2.5(b)(3);~~
- 4 **IC 4-33-13-5(a)(3)(C);**
- 5 (4) deposits required under section 4 of this chapter; and
- 6 (5) gifts, grants, donations, or other contributions from any other
- 7 public or private source.
- 8 (c) The development authority shall administer the fund.
- 9 (d) The money remaining in the fund at the end of a state fiscal year
- 10 does not revert to the state general fund.
- 11 (e) Money in the fund is continuously appropriated for the purposes
- 12 of this chapter.
- 13 (f) Subject to budget committee review, the development authority
- 14 may receive reimbursement for expenses incurred and a reasonable and
- 15 customary amount for providing administrative services from money
- 16 in the fund.
- 17 SECTION 175. IC 36-8-11-12, AS AMENDED BY P.L.236-2023,
- 18 SECTION 197, IS AMENDED TO READ AS FOLLOWS
- 19 [EFFECTIVE JULY 1, 2026]: Sec. 12. (a) This section does not apply
- 20 to the appointment of a governing board under section 12.5 of this
- 21 chapter.
- 22 (b) Within thirty (30) days after the ordinance or resolution
- 23 establishing the district becomes final, the county legislative body shall
- 24 appoint a board of fire trustees. The trustees must be qualified by
- 25 knowledge and experience in matters pertaining to fire protection and
- 26 related activities in the district. A person who:
- 27 (1) is a party to a contract with the district; ~~or~~
- 28 (2) is a member, an employee, a director, or a shareholder of any
- 29 corporation or association that has a contract with the district; **or**
- 30 **(3) does not reside in the district;**
- 31 may not be appointed or serve as a trustee. The legislative body shall
- 32 appoint one (1) trustee from each township or part of a township
- 33 contained in the district and one (1) trustee from each municipality
- 34 contained in the district. If the number of trustees selected by this
- 35 method is an even number, the legislative body shall appoint one (1)
- 36 additional trustee so that the number of trustees is always an odd
- 37 number. If the requirements of this section do not provide at least three
- 38 (3) trustees, the legislative body shall make additional appointments so
- 39 that there is a minimum of three (3) trustees.
- 40 (c) The original trustees shall be appointed as follows:
- 41 (1) One (1) for a term of one (1) year.
- 42 (2) One (1) for a term of two (2) years.

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- 1 (3) One (1) for a term of three (3) years.
- 2 (4) All others for a term of four (4) years.
- 3 The terms expire on the first Monday of January of the year their
- 4 appointments expire. As the terms expire, each new appointment is for
- 5 a term of four (4) years.

6 (d) If a vacancy occurs on the board, the county legislative body
 7 shall appoint a trustee with the qualifications specified in subsection
 8 (b) for the unexpired term.

9 (e) **On December 31, 2026, the term of any person serving as a**
 10 **trustee who does not reside in the district for which the person**
 11 **serves as a trustee is terminated. The county legislative body shall**
 12 **make new appointments as soon as possible after December 31,**
 13 **2026, to serve for the remainder of the unexpired term.**

14 SECTION 176. IC 36-8-19-7.5, AS AMENDED BY P.L.68-2025,
 15 SECTION 241, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7.5. (a)
 17 This section applies to:

- 18 (1) local income tax distributions; and
- 19 (2) excise tax distributions;
- 20 made after December 31, 2009.

21 (b) Except as provided in subsection (c), for purposes of allocating
 22 local income tax distributions that are based on a taxing unit's
 23 allocation amount before January 1, ~~2028~~, **2029**, or that an adopting
 24 body allocates under IC 6-3.6-6 to economic development before
 25 January 1, ~~2028~~, **2029**, or excise tax distributions that are distributed
 26 based on the amount of a taxing unit's property tax levies, each
 27 participating unit in a territory is considered to have imposed a part of
 28 the property tax levy imposed for the territory. The part of the property
 29 tax levy imposed for the territory for a particular year that shall be
 30 attributed to a participating unit is equal to the amount determined in
 31 the following STEPS:

32 STEP ONE: Determine the total amount of all property taxes
 33 imposed by the participating unit in the year before the year in
 34 which a property tax levy was first imposed for the territory.

35 STEP TWO: Determine the sum of the STEP ONE amounts for
 36 all participating units.

37 STEP THREE: Divide the STEP ONE result by the STEP TWO
 38 result.

39 STEP FOUR: Multiply the STEP THREE result by the property
 40 tax levy imposed for the territory for the particular year.

41 (c) This subsection applies to a determination under subsection (b)
 42 made in calendar years 2018, 2019, and 2020. The department of local

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1 government finance may, for distributions made in calendar year 2022,
 2 adjust the allocation amount determined under subsection (b) to correct
 3 for any clerical or mathematical errors made in any determination for
 4 calendar year 2018, 2019, or 2020, as applicable, including the
 5 allocation amount for any taxing unit whose distribution was affected
 6 by the clerical or mathematical error in those years. The department of
 7 local government finance may apply the adjustment to the allocation
 8 amount for a taxing unit over a period not to exceed ten (10) years in
 9 order to offset the effect of the adjustment on the distribution.

10 (d) This subsection applies to a territory established by an ordinance
 11 or a resolution adopted under this chapter after December 31, 2024.
 12 Before additional revenue from a local income tax rate may be
 13 allocated to the provider unit of a new territory due to an increased
 14 property tax levy resulting from the establishment of the territory, the
 15 county fiscal body must adopt an ordinance or resolution approving the
 16 allocation.

17 SECTION 177. IC 36-8-19-8.5, AS AMENDED BY P.L.255-2017,
 18 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 8.5. (a) Participating units may agree to establish
 20 an equipment replacement fund under this section to be used to
 21 purchase fire protection equipment, including housing, that will be
 22 used to serve the entire territory. To establish the fund, the legislative
 23 bodies of each participating unit must adopt an ordinance (in the case
 24 of a county or municipality) or a resolution (in the case of a township
 25 or fire protection district), and the following requirements must be met:

26 (1) The ordinance or resolution is identical to the ordinances and
 27 resolutions adopted by the other participating units under this
 28 section.

29 (2) Before adopting the ordinance or resolution, each participating
 30 unit must comply with the notice and hearing requirements of
 31 IC 6-1.1-41-3.

32 (3) The ordinance or resolution authorizes the provider unit to
 33 establish the fund.

34 (4) The ordinance or resolution includes at least the following:

35 (A) The name of each participating unit and the provider unit.

36 (B) An agreement to impose a uniform tax rate upon all of the
 37 taxable property within the territory for the equipment
 38 replacement fund.

39 (C) The contents of the agreement to establish the fund.

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

42 (b) If a fund is established, the participating units may agree to:

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1 (1) impose a property tax to provide for the accumulation of
 2 money in the fund to purchase fire protection equipment;
 3 (2) incur debt to purchase fire protection equipment and impose
 4 a property tax to retire the loan; or
 5 (3) transfer an amount from the fire protection territory fund to
 6 the fire equipment replacement fund not to exceed five percent
 7 (5%) of the levy for the fire protection territory fund for that year;
 8 or any combination of these options.

9 (c) The property tax rate for the levy imposed under this section **is**
 10 **considered part of the maximum permissible ad valorem property**
 11 **tax levy and** may not exceed three and thirty-three hundredths cents
 12 (\$0.0333) per one hundred dollars (\$100) of assessed value. Before
 13 debt may be incurred, the fiscal body of a participating unit must adopt
 14 an ordinance (in the case of a county or municipality) or a resolution
 15 (in the case of a township or fire protection district) that specifies the
 16 amount and purpose of the debt. The ordinance or resolution must be
 17 identical to the other ordinances and resolutions adopted by the
 18 participating units. Except as provided in subsection (d), if debt is to be
 19 incurred for the purposes of a fund, the provider unit shall negotiate for
 20 and hold the debt on behalf of the territory. However, the participating
 21 units and the provider unit of the territory are jointly liable for any debt
 22 incurred by the provider unit for the purposes of the fund. The most
 23 recent adjusted value of taxable property for the entire territory must be
 24 used to determine the debt limit under IC 36-1-15-6. A provider unit
 25 shall comply with all general statutes and rules relating to the
 26 incurrence of debt under this subsection.

27 (d) A participating unit of a territory may, to the extent allowed by
 28 law, incur debt in the participating unit's own name to acquire fire
 29 protection equipment or other property that is to be owned by the
 30 participating unit. A participating unit that acquires fire protection
 31 equipment or other property under this subsection may afterward enter
 32 into an interlocal agreement under IC 36-1-7 with the provider unit to
 33 furnish the fire protection equipment or other property to the provider
 34 unit for the provider unit's use or benefit in accomplishing the purposes
 35 of the territory. A participating unit shall comply with all general
 36 statutes and rules relating to the incurrence of debt under this
 37 subsection.

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

41 (f) The requirements and procedures specified in IC 6-1.1-41
 42 concerning the establishment or reestablishment of a cumulative fund,

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1 the imposing of a property tax for a cumulative fund, and the increasing
 2 of a property tax rate for a cumulative fund apply to:

- 3 (1) the establishment or reestablishment of a fund under this
- 4 section;
- 5 (2) the imposing of a property tax for a fund under this section;
- 6 and
- 7 (3) the increasing of a property tax rate for a fund under this
- 8 section.

9 (g) Notwithstanding IC 6-1.1-18-12, if a fund established under this
 10 section is reestablished in the manner provided in IC 6-1.1-41, the
 11 property tax rate imposed for the fund in the first year after the fund is
 12 reestablished may not exceed three and thirty-three hundredths cents
 13 (\$0.0333) per one hundred dollars (\$100) of assessed value.

14 SECTION 178. IC 36-9-37-14 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2026 (RETROACTIVE)]:

16 Sec. 14. (a) **With respect to** a property owner who has secured the
 17 right to pay the property owner's assessments in deferred installments
 18 by the filing of a waiver, ~~may~~, **the municipal works board shall**
 19 **establish a policy to permit an owner of real property in the**
 20 **municipality to prepay the property owner's assessment in full by**
 21 **either of the following methods:**

- 22 (1) At any time after the expiration of the first year after the filing,
- 23 pay the entire balance of the assessment and be relieved of the
- 24 lien on the property owner's property. A property owner may not
- 25 pay the property owner's entire balance under this subsection
- 26 unless at the same time the property owner pays all interest due
- 27 at the next interest paying period.
- 28 (2) **At any time, including within the year of the filing, pay the**
- 29 **entire balance of the assessment and be relieved of the lien on**
- 30 **the property owner's property. A property owner may not**
- 31 **pay the property owner's entire balance under this subsection**
- 32 **unless at the same time the property owner pays all interest**
- 33 **due at the next interest paying period.**

34 (b) If a person who exercises the right to prepay the person's
 35 assessment fully pays the assessment and interest, all interest and
 36 liability as to the assessed property ceases.

37 SECTION 179. [EFFECTIVE JANUARY 1, 2024
 38 (RETROACTIVE)] (a) **This SECTION applies notwithstanding**
 39 **IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or**
 40 **provision.**

41 (b) **This SECTION applies to assessment dates after December**
 42 **31, 2023, and before January 1, 2026.**

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1 (c) As used in this SECTION, "eligible property" means any
2 real property:

3 (1) that is owned, occupied, and used by a taxpayer that:

4 (A) is exempt from federal income taxation under Section
5 501(c)(3) of the Internal Revenue Code; and

6 (B) has a mission focused on preserving Indiana
7 landmarks;

8 (2) that is used for one (1) or more of the purposes described
9 in IC 6-1.1-10-16;

10 (3) that is a parcel that:

11 (A) was transferred to the taxpayer before January 1,
12 2024; and

13 (B) is located in Vanderburgh County;

14 (4) on which property taxes were imposed for the 2024 and
15 2025 assessment dates; and

16 (5) that would have been eligible for an exemption under
17 IC 6-1.1-10-16 for the 2024 and 2025 assessment dates if an
18 exemption application had been properly and timely filed
19 under IC 6-1.1 for the property.

20 (d) Before September 1, 2026, the owner of eligible property
21 may file a property tax exemption application and supporting
22 documents claiming a property tax exemption under this
23 SECTION for the eligible property for the 2024 and 2025
24 assessment dates.

25 (e) A property tax exemption application filed as provided in
26 subsection (d) is considered to have been properly and timely filed
27 for each assessment date.

28 (f) The following apply if the owner of eligible property files a
29 property tax exemption application as provided in subsection (d):

30 (1) The property tax exemption for the eligible property shall
31 be allowed and granted for the applicable assessment date by
32 the county assessor and county auditor of the county in which
33 the eligible property is located.

34 (2) The owner of the eligible property is not required to pay
35 any property taxes, penalties, or interest with respect to the
36 eligible property for the applicable assessment date.

37 (g) The exemption allowed by this SECTION shall be applied
38 without the need for any further ruling or action by the county
39 assessor, the county auditor, or the county property tax assessment
40 board of appeals of the county in which the eligible property is
41 located or by the Indiana board of tax review.

42 (h) To the extent the owner of the eligible property has paid any



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1 property taxes, penalties, or interest with respect to the eligible
 2 property for an applicable date and to the extent that the eligible
 3 property is exempt from taxation as provided in this SECTION,
 4 the owner of the eligible property is entitled to a refund of the
 5 amounts paid. The owner is not entitled to any interest on the
 6 refund under IC 6-1.1 or any other law to the extent interest has
 7 not been paid by or on behalf of the owner. Notwithstanding the
 8 filing deadlines for a claim under IC 6-1.1-26, any claim for a
 9 refund filed by the owner of eligible property under this SECTION
 10 before September 1, 2026, is considered timely filed. The county
 11 auditor shall pay the refund due under this SECTION in one (1)
 12 installment.

13 (i) This SECTION expires June 30, 2027.

14 SECTION 180. [EFFECTIVE JANUARY 1, 2026
 15 (RETROACTIVE)] (a) IC 6-1.1-10.2, as added by this act, applies to
 16 assessment dates occurring after December 31, 2025, for property
 17 taxes first due and payable in 2027.

18 (b) This SECTION expires July 1, 2030.

19 SECTION 181. [EFFECTIVE JANUARY 1, 2026
 20 (RETROACTIVE)] (a) The amendments made by this act to:

- 21 (1) IC 6-1.1-12.6-2;
- 22 (2) IC 6-1.1-12.6-4;
- 23 (3) IC 6-1.1-12.6-8;
- 24 (4) IC 6-1.1-12.8-3;
- 25 (5) IC 6-1.1-12.8-4;
- 26 (6) IC 6-1.1-12.8-9; and
- 27 (7) IC 6-1.1-12.8-10;

28 apply to assessment dates occurring after December 31, 2025.

29 (b) This SECTION expires January 1, 2028.

30 SECTION 182. [EFFECTIVE UPON PASSAGE] (a) IC 6-3.6-6-3
 31 was amended by P.L.137-2024, SECTION 9, effective July 1, 2024,
 32 until July 1, 2027, and by P.L.68-2025, SECTION 124, effective
 33 July 1, 2027, and the effective date of the amendment made by
 34 P.L.68-2025, SECTION 124 is delayed by this act until July 1, 2028.
 35 The general assembly recognizes that this act amends, effective
 36 July 1, 2026, the version of IC 6-3.6-6-3 amended by P.L.137-2024,
 37 SECTION 9. The general assembly intends for the version of
 38 IC 6-3.6-6-3:

- 39 (1) as amended effective July 1, 2026, to expire July 1, 2028;
- 40 and
- 41 (2) as amended by P.L.68-2025, SECTION 124, to take effect
- 42 July 1, 2028.

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- 1 **(b) This SECTION expires December 31, 2028.**
2 SECTION 183. [EFFECTIVE JANUARY 1, 2026
3 (RETROACTIVE)] **(a) IC 6-3.1-38-4 and IC 6-3.1-38-7, both as**
4 **amended by this act, and IC 6-3.1-38-4.5, as added by this act,**
5 **apply to taxable years beginning after December 31, 2025.**
6 **(b) This SECTION expires January 1, 2028.**
7 SECTION 184. [EFFECTIVE JANUARY 1, 2026
8 (RETROACTIVE)] **(a) IC 6-1.1-51.3-5 and IC 6-1.1-51.3-6, both as**
9 **added by this act, apply to property taxes imposed for assessment**
10 **dates after December 31, 2025.**
11 **(b) This SECTION expires January 1, 2028.**
12 SECTION 185. [EFFECTIVE JANUARY 1, 2026
13 (RETROACTIVE)] **(a) IC 6-1.1-12-14, as amended by this act,**
14 **applies to property taxes for assessment dates after December 31,**
15 **2025.**
16 **(b) This SECTION expires January 1, 2028.**
17 SECTION 186. [EFFECTIVE UPON PASSAGE] **(a)**
18 **Notwithstanding the effective date of the following sections**
19 **amended by P.L.68-2025 (SEA 1-2025), the effective date for these**
20 **sections is July 1, 2028, and not July 1, 2027:**
21 **(1) IC 5-1-14-14, as amended by P.L.68-2025 (SEA 1-2025),**
22 **SECTION 2.**
23 **(2) IC 5-16-9-3, as amended by P.L.68-2025 (SEA 1-2025),**
24 **SECTION 4.**
25 **(3) IC 6-1.1-10.3-3, as amended by P.L.68-2025 (SEA 1-2025),**
26 **SECTION 16 and as amended by this act.**
27 **(4) IC 6-1.1-10.3-5, as amended by P.L.68-2025 (SEA 1-2025),**
28 **SECTION 17.**
29 **(5) IC 6-1.1-10.3-7, as amended by P.L.68-2025 (SEA 1-2025),**
30 **SECTION 18.**
31 **(6) IC 6-3-2-27.5, as amended by P.L.68-2025 (SEA 1-2025),**
32 **SECTION 86.**
33 **(7) IC 6-3.5-4-1, as amended by P.L.68-2025 (SEA 1-2025),**
34 **SECTION 87.**
35 **(8) IC 6-3.5-4-1.1, as amended by P.L.68-2025 (SEA 1-2025),**
36 **SECTION 88.**
37 **(9) IC 6-3.5-5-1, as amended by P.L.68-2025 (SEA 1-2025),**
38 **SECTION 89.**
39 **(10) IC 6-3.5-5-1.1, as amended by P.L.68-2025 (SEA 1-2025),**
40 **SECTION 90.**
41 **(11) IC 6-3.6-1-1, as amended by P.L.68-2025 (SEA 1-2025),**
42 **SECTION 91.**

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- 1 (12) IC 6-3.6-1-1.5, as amended by P.L.68-2025 (SEA 1-2025),
2 SECTION 92 and as amended by this act.
3 (13) IC 6-3.6-1-3, as amended by P.L.68-2025 (SEA 1-2025),
4 SECTION 93 and as amended by this act.
5 (14) IC 6-3.6-1-4, as amended by P.L.68-2025 (SEA 1-2025),
6 SECTION 94.
7 (15) IC 6-3.6-2-5, as amended by P.L.68-2025 (SEA 1-2025),
8 SECTION 97.
9 (16) IC 6-3.6-3-1, as amended by P.L.68-2025 (SEA 1-2025),
10 SECTION 102.
11 (17) IC 6-3.6-3-3, as amended by P.L.68-2025 (SEA 1-2025),
12 SECTION 103 and as amended by this act.
13 (18) IC 6-3.6-3-4, as amended by P.L.68-2025 (SEA 1-2025),
14 SECTION 105 and as amended by this act.
15 (19) IC 6-3.6-3-5, as amended by P.L.68-2025 (SEA 1-2025),
16 SECTION 106 and as amended by this act.
17 (20) IC 6-3.6-6-2, as amended by P.L.68-2025 (SEA 1-2025),
18 SECTION 118 and as amended by this act.
19 (21) IC 6-3.6-6-3, as amended by P.L.68-2025 (SEA 1-2025),
20 SECTION 124.
21 (22) IC 6-3.6-6-4, as amended by P.L.68-2025 (SEA 1-2025),
22 SECTION 126 and as amended by this act.
23 (23) IC 6-3.6-6-8, as amended by P.L.68-2025 (SEA 1-2025),
24 SECTION 130.
25 (24) IC 6-3.6-6-8.5, as amended by P.L.68-2025 (SEA 1-2025),
26 SECTION 131.
27 (25) IC 6-3.6-6-9.5, as amended by P.L.68-2025 (SEA 1-2025),
28 SECTION 133.
29 (26) IC 6-3.6-6-17, as amended by P.L.68-2025 (SEA 1-2025),
30 SECTION 140.
31 (27) IC 6-3.6-6-18, as amended by P.L.68-2025 (SEA 1-2025),
32 SECTION 141.
33 (28) IC 6-3.6-6-19, as amended by P.L.68-2025 (SEA 1-2025),
34 SECTION 142.
35 (29) IC 6-3.6-6-21, as amended by P.L.68-2025 (SEA 1-2025),
36 SECTION 144.
37 (30) IC 6-3.6-6-21.3, as amended by P.L.68-2025 (SEA
38 1-2025), SECTION 146 and as amended by this act.
39 (31) IC 6-3.6-7-9, as amended by P.L.68-2025 (SEA 1-2025),
40 SECTION 149 and as amended by this act.
41 (32) IC 6-3.6-7-28, as amended by P.L.68-2025 (SEA 1-2025),
42 SECTION 150.

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- 1 (33) IC 6-3.6-8-4, as amended by P.L.68-2025 (SEA 1-2025),
2 SECTION 152.
- 3 (34) IC 6-3.6-9-1, as amended by P.L.68-2025 (SEA 1-2025),
4 SECTION 154 and as amended by this act.
- 5 (35) IC 6-3.6-9-4, as amended by P.L.68-2025 (SEA 1-2025),
6 SECTION 156 and as amended by this act.
- 7 (36) IC 6-3.6-9-4.1, as amended by P.L.68-2025 (SEA 1-2025),
8 SECTION 157.
- 9 (37) IC 6-3.6-9-5, as amended by P.L.68-2025 (SEA 1-2025),
10 SECTION 158 and as amended by this act.
- 11 (38) IC 6-3.6-9-6, as amended by P.L.68-2025 (SEA 1-2025),
12 SECTION 159.
- 13 (39) IC 6-3.6-9-7, as amended by P.L.68-2025 (SEA 1-2025),
14 SECTION 160.
- 15 (40) IC 6-3.6-9-9, as amended by P.L.68-2025 (SEA 1-2025),
16 SECTION 163.
- 17 (41) IC 6-3.6-9-10, as amended by P.L.68-2025 (SEA 1-2025),
18 SECTION 164 and as amended by this act.
- 19 (42) IC 6-3.6-9-11, as amended by P.L.68-2025 (SEA 1-2025),
20 SECTION 165.
- 21 (43) IC 6-3.6-9-12, as amended by P.L.68-2025 (SEA 1-2025),
22 SECTION 166 and as amended by this act.
- 23 (44) IC 6-3.6-9-13, as amended by P.L.68-2025 (SEA 1-2025),
24 SECTION 167 and as amended by this act.
- 25 (45) IC 6-3.6-9-16, as amended by P.L.68-2025 (SEA 1-2025),
26 SECTION 170.
- 27 (46) IC 6-3.6-11-3, as amended by P.L.68-2025 (SEA 1-2025),
28 SECTION 180 and as amended by this act.
- 29 (47) IC 6-9-10.5-8, as amended by P.L.68-2025 (SEA 1-2025),
30 SECTION 190.
- 31 (48) IC 8-18-22-6, as amended by P.L.68-2025 (SEA 1-2025),
32 SECTION 195.
- 33 (49) IC 8-22-3.5-9, as amended by P.L.68-2025 (SEA 1-2025),
34 SECTION 196.
- 35 (50) IC 12-20-25-34, as amended by P.L.68-2025 (SEA
36 1-2025), SECTION 197.
- 37 (51) IC 12-20-25-35, as amended by P.L.68-2025 (SEA
38 1-2025), SECTION 198.
- 39 (52) IC 36-7-14-39, as amended by P.L.68-2025 (SEA 1-2025),
40 SECTION 234.
- 41 (53) IC 36-7-15.1-26, as amended by P.L.68-2025 (SEA
42 1-2025), SECTION 235 and as amended by this act.

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- 1 (54) IC 36-7-15.1-53, as amended by P.L.68-2025 (SEA
- 2 1-2025), SECTION 236 and as amended by this act.
- 3 (55) IC 36-7-30-25, as amended by P.L.68-2025 (SEA 1-2025),
- 4 SECTION 237 and as amended by this act.
- 5 (56) IC 36-7-30.5-30, as amended by P.L.68-2025 (SEA
- 6 1-2025), SECTION 238 and as amended by this act.
- 7 (57) IC 36-7.5-4-2.5, as amended by P.L.68-2025 (SEA
- 8 1-2025), SECTION 239.
- 9 (58) IC 36-8-19-8, as amended by P.L.68-2025 (SEA 1-2025),
- 10 SECTION 242.

11 (b) Notwithstanding the effective date of the following sections
 12 amended by P.L.68-2025 (SEA 1-2025), the effective date for these
 13 sections is January 1, 2029, and not January 1, 2028:

- 14 (1) IC 6-1.1-18.5-3, as amended by P.L.68-2025 (SEA 1-2025),
- 15 SECTION 60.
- 16 (2) IC 6-3.6-2-2, as amended by P.L.68-2025 (SEA 1-2025),
- 17 SECTION 95 and as amended by this act.
- 18 (3) IC 6-3.6-2-13, as amended by P.L.68-2025 (SEA 1-2025),
- 19 SECTION 100 and as amended by this act.
- 20 (4) IC 6-3.6-2-15, as amended by P.L.68-2025 (SEA 1-2025),
- 21 SECTION 101 and as amended by this act.
- 22 (5) IC 6-3.6-4-1, as amended by P.L.68-2025 (SEA 1-2025),
- 23 SECTION 113.
- 24 (6) IC 6-3.6-4-2, as amended by P.L.68-2025 (SEA 1-2025),
- 25 SECTION 114.
- 26 (7) IC 6-3.6-4-3, as amended by P.L.68-2025 (SEA 1-2025),
- 27 SECTION 115.
- 28 (8) IC 6-3.6-8-3, as amended by P.L.68-2025 (SEA 1-2025),
- 29 SECTION 151 and as amended by this act.
- 30 (9) IC 6-3.6-8-5, as amended by P.L.68-2025 (SEA 1-2025),
- 31 SECTION 153.
- 32 (10) IC 6-3.6-10-2, as amended by P.L.68-2025 (SEA 1-2025),
- 33 SECTION 174.
- 34 (11) IC 6-3.6-10-3, as amended by P.L.68-2025 (SEA 1-2025),
- 35 SECTION 175.
- 36 (12) IC 6-3.6-10-5, as amended by P.L.68-2025 (SEA 1-2025),
- 37 SECTION 176.
- 38 (13) IC 6-3.6-10-6, as amended by P.L.68-2025 (SEA 1-2025),
- 39 SECTION 177.
- 40 (14) IC 6-3.6-11-4, as amended by P.L.68-2025 (SEA 1-2025),
- 41 SECTION 181.
- 42 (15) IC 6-3.6-11-5.5, as amended by P.L.68-2025 (SEA

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- 1 **1-2025), SECTION 182.**
- 2 **(16) IC 6-3.6-11-6, as amended by P.L.68-2025 (SEA 1-2025),**
- 3 **SECTION 183.**
- 4 **(17) IC 6-3.6-11-7, as amended by P.L.68-2025 (SEA 1-2025),**
- 5 **SECTION 184.**
- 6 **(18) IC 6-3.6-11-7.5, as amended by P.L.68-2025 (SEA**
- 7 **1-2025), SECTION 185.**
- 8 **(c) Notwithstanding the effective date of the following sections**
- 9 **added by P.L.68-2025 (SEA 1-2025), the effective date for these**
- 10 **sections is July 1, 2028, and not July 1, 2027:**
- 11 **(1) IC 6-3.6-3-3.3, as added by P.L.68-2025 (SEA 1-2025),**
- 12 **SECTION 104.**
- 13 **(2) IC 6-3.6-5-7, as added by P.L.68-2025 (SEA 1-2025),**
- 14 **SECTION 116.**
- 15 **(3) IC 6-3.6-6-0.5, as added by P.L.68-2025 (SEA 1-2025),**
- 16 **SECTION 117.**
- 17 **(4) IC 6-3.6-6-4.3, as added by P.L.68-2025 (SEA 1-2025),**
- 18 **SECTION 127 and as amended by this act.**
- 19 **(5) IC 6-3.6-6-4.5, as added by P.L.68-2025 (SEA 1-2025),**
- 20 **SECTION 128 and as amended by this act.**
- 21 **(6) IC 6-3.6-6-6.1, as added by P.L.68-2025 (SEA 1-2025),**
- 22 **SECTION 129 and as amended by this act.**
- 23 **(7) IC 6-3.6-6-22, as added by P.L.68-2025 (SEA 1-2025),**
- 24 **SECTION 147 and as amended by this act.**
- 25 **(8) IC 6-3.6-6-23, as added by P.L.68-2025 (SEA 1-2025),**
- 26 **SECTION 148 and as amended by this act.**
- 27 **(9) IC 6-3.6-9-1.1, as added by P.L.68-2025 (SEA 1-2025),**
- 28 **SECTION 155.**
- 29 **(10) IC 6-3.6-9-17.5, as added by P.L.68-2025 (SEA 1-2025),**
- 30 **SECTION 171 and as amended by this act.**
- 31 **(11) IC 6-3.6-9-20, as added by P.L.68-2025 (SEA 1-2025),**
- 32 **SECTION 172.**
- 33 **(12) IC 6-3.6-9-21, as added by P.L.68-2025 (SEA 1-2025),**
- 34 **SECTION 173 and as amended by this act.**
- 35 **(d) Notwithstanding the effective date of the following sections**
- 36 **repealed by P.L.68-2025 (SEA 1-2025), the effective date for these**
- 37 **sections is July 1, 2028, and not July 1, 2027:**
- 38 **(1) IC 6-1.1-10.3-2, as repealed by P.L.68-2025 (SEA 1-2025),**
- 39 **SECTION 15.**
- 40 **(2) IC 6-3.6-2-4, as repealed by P.L.68-2025 (SEA 1-2025),**
- 41 **SECTION 96.**
- 42 **(3) IC 6-3.6-2-12, as repealed by P.L.68-2025 (SEA 1-2025),**

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- 1 **SECTION 99.**
2 **(4) IC 6-3.6-3-6, as repealed by P.L.68-2025 (SEA 1-2025),**
3 **SECTION 107.**
4 **(5) IC 6-3.6-3-7, as repealed by P.L.68-2025 (SEA 1-2025),**
5 **SECTION 108.**
6 **(6) IC 6-3.6-3-8, as repealed by P.L.68-2025 (SEA 1-2025),**
7 **SECTION 109.**
8 **(7) IC 6-3.6-3-9, as repealed by P.L.68-2025 (SEA 1-2025),**
9 **SECTION 110.**
10 **(8) IC 6-3.6-3-10, as repealed by P.L.68-2025 (SEA 1-2025),**
11 **SECTION 112.**
12 **(9) IC 6-3.6-6-9, as repealed by P.L.68-2025 (SEA 1-2025),**
13 **SECTION 132.**
14 **(10) IC 6-3.6-6-10, as repealed by P.L.68-2025 (SEA 1-2025),**
15 **SECTION 134.**
16 **(11) IC 6-3.6-6-11, as repealed by P.L.68-2025 (SEA 1-2025),**
17 **SECTION 135.**
18 **(12) IC 6-3.6-6-12, as repealed by P.L.68-2025 (SEA 1-2025),**
19 **SECTION 136.**
20 **(13) IC 6-3.6-6-14, as repealed by P.L.68-2025 (SEA 1-2025),**
21 **SECTION 137.**
22 **(14) IC 6-3.6-6-15, as repealed by P.L.68-2025 (SEA 1-2025),**
23 **SECTION 138.**
24 **(15) IC 6-3.6-6-16, as repealed by P.L.68-2025 (SEA 1-2025),**
25 **SECTION 139.**
26 **(16) IC 6-3.6-6-20, as repealed by P.L.68-2025 (SEA 1-2025),**
27 **SECTION 143.**
28 **(17) IC 6-3.6-6-21.2, as repealed by P.L.68-2025 (SEA 1-2025),**
29 **SECTION 145.**
30 **(18) IC 6-3.6-9-8, as repealed by P.L.68-2025 (SEA 1-2025),**
31 **SECTION 161.**
32 **(19) IC 6-3.6-9-8.5, as repealed by P.L.68-2025 (SEA 1-2025),**
33 **SECTION 162.**
34 **(20) IC 6-3.6-9-14, as repealed by P.L.68-2025 (SEA 1-2025),**
35 **SECTION 168.**
36 **(e) Notwithstanding the effective date of the following sections**
37 **repealed by P.L.68-2025 (SEA 1-2025), the effective date for these**
38 **sections is January 1, 2029, and not January 1, 2028:**
39 **(1) IC 6-3.6-6-2.5, as repealed by P.L.68-2025 (SEA 1-2025),**
40 **SECTION 119.**
41 **(2) IC 6-3.6-6-2.6, as repealed by P.L.68-2025 (SEA 1-2025),**
42 **SECTION 120.**

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- 1 (3) IC 6-3.6-6-2.7, as repealed by P.L.68-2025 (SEA 1-2025),
 2 SECTION 121.
 3 (4) IC 6-3.6-6-2.8, as repealed by P.L.68-2025 (SEA 1-2025),
 4 SECTION 122.
 5 (5) IC 6-3.6-6-2.9, as repealed by P.L.68-2025 (SEA 1-2025),
 6 SECTION 123.
 7 (6) IC 6-3.6-9-15, as repealed by P.L.68-2025 (SEA 1-2025),
 8 SECTION 169.
 9 (7) IC 6-3.6-11-1, as repealed by P.L.68-2025 (SEA 1-2025),
 10 SECTION 179.

11 (f) The revisor of statutes shall print the Indiana Code to
 12 incorporate the effective date changes to the sections of
 13 P.L.68-2025 (SEA 1-2025) as provided in this SECTION and as
 14 amended by this act.

15 SECTION 187. P.L.68-2025, SECTION 246, IS REPEALED
 16 [EFFECTIVE UPON PASSAGE]. SECTION 246. [EFFECTIVE JUNE
 17 30, 2027]. (a) Notwithstanding the July 1, 2027, effective date for
 18 IC 6-3.6-6-0.5; IC 6-3.6-6-4.3; IC 6-3.6-6-4.5; and IC 6-3.6-6-6.1; all
 19 as added by this act; the July 1, 2027, effective date for IC 6-3.6-6-2;
 20 IC 6-3.6-6-3; IC 6-3.6-6-4; IC 6-3.6-6-8; IC 6-3.6-6-8.5; IC 6-3.6-6-9.5;
 21 IC 6-3.6-6-17; IC 6-3.6-6-18; IC 6-3.6-6-19; and IC 6-3.6-6-21; all as
 22 amended by this act; and the July 1, 2027, or January 1, 2028, repeal
 23 of IC 6-3.6-6-2.5; IC 6-3.6-6-2.6; IC 6-3.6-6-2.7; IC 6-3.6-6-2.8;
 24 IC 6-3.6-6-2.9; IC 6-3.6-6-9; IC 6-3.6-6-10; IC 6-3.6-6-11;
 25 IC 6-3.6-6-12; IC 6-3.6-6-14; IC 6-3.6-6-15; IC 6-3.6-6-16; and
 26 IC 6-3.6-6-20; all as repealed by this act; the method used to determine
 27 the amount of a particular distribution of revenue before July 1, 2027,
 28 shall continue to be used for these determinations for all of 2027.

29 (b) Notwithstanding the adoption of different tax rates by a county
 30 applicable after 2027 or the adoption of municipal tax rates under
 31 IC 6-3.6-6-22; as added by this act; applicable after 2027; or any other
 32 provision of law, the certified distribution methodology calculation for
 33 local income tax distributions made in 2027 shall continue for local
 34 income tax distributions made in 2028 and 2029 to account for the
 35 transition to any new tax rates.

36 (c) This SECTION expires June 30, 2030.

37 SECTION 188. [EFFECTIVE JUNE 30, 2028] (a) Notwithstanding
 38 the effective date for:

- 39 (1) the amendment of sections in IC 6-3.6-6 by this act or by
 40 P.L.68-2025;
 41 (2) the addition of sections in IC 6-3.6-6 by this act or by
 42 P.L.68-2025; or

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1 (3) the repeal of sections in IC 6-3.6-6 by this act or by
2 P.L.68-2025;

3 the method used to determine the amount of a particular
4 distribution of revenue before July 1, 2028, shall continue to be
5 used for these determinations for all of 2028.

6 (b) Notwithstanding the adoption of different tax rates by a
7 county applicable after 2028 or the adoption of municipal tax rates
8 under IC 6-3.6-6-22, applicable after 2028, or any other provision
9 of law, the certified distribution methodology calculation for local
10 income tax distributions made in 2028 shall continue for local
11 income tax distributions made in 2029 and 2030 to account for the
12 transition to any new tax rates.

13 (c) This SECTION expires June 30, 2031.

14 SECTION 189. [EFFECTIVE JANUARY 1, 2024
15 (RETROACTIVE)] (a) This SECTION applies notwithstanding
16 IC 6-1.1-10, IC 6-1.1-11, or any other law or administrative rule or
17 provision.

18 (b) This SECTION applies to an assessment date occurring after
19 December 31, 2023, and before January 1, 2026.

20 (c) As used in this SECTION, "eligible property" means real
21 property:

22 (1) on which property taxes were imposed for the 2024 and
23 2025 assessment dates; and

24 (2) that is identified as follows:

25 (A) Parcel 1017913 located at 2237 Station Street,
26 Indianapolis, IN, 46218.

27 (B) Parcel 1022147 located at 2225 North Sherman
28 Avenue, Indianapolis, IN, 46218.

29 (C) Parcel 1057962 located at 2202 North Sherman
30 Avenue, Indianapolis, IN, 46218.

31 (D) Parcel 1021121 located at 2182 North Olney Street,
32 Indianapolis, IN, 46218.

33 (E) Parcel 1003672 located at 3429 Massachusetts Avenue,
34 Indianapolis, IN, 46218.

35 (F) Parcel 1011976 located at 2178 North Olney Street,
36 Indianapolis, IN, 46218.

37 (d) As used in this SECTION, "qualified taxpayer" refers to a
38 nonprofit organization that owns eligible property as described
39 under subsection (c).

40 (e) A qualified taxpayer may, before September 1, 2026, file a
41 property tax exemption application and supporting documents
42 claiming a property tax exemption under IC 6-1.1-10-16 for any

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1 assessment date described in subsection (b).

2 (f) A property tax exemption application filed under subsection
3 (e) by a qualified taxpayer is considered to have been properly and
4 timely filed.

5 (g) If a qualified taxpayer files the property tax exemption
6 applications under subsection (e), the following apply:

7 (1) The property tax exemption for the eligible property is
8 allowed and granted for the 2024 and 2025 assessment dates
9 by the county assessor and county auditor of the county in
10 which the eligible property is located.

11 (2) The qualified taxpayer is not required to pay any property
12 taxes, penalties, interest, or tax sale reimbursement expenses
13 with respect to the eligible property exempted under this
14 SECTION for the 2024 and 2025 assessment dates.

15 (3) If the eligible property was placed on the list certified
16 under IC 6-1.1-24-1 or IC 6-1.1-24-1.5 or was otherwise
17 subject to a tax sale under IC 6-1.1-24 and IC 6-1.1-25
18 because one (1) or more installments of property taxes due for
19 the eligible property for the 2024 or 2025 assessment dates
20 were not timely paid:

21 (A) the county auditor shall remove the eligible property
22 from the list certified under IC 6-1.1-24-1 or
23 IC 6-1.1-24-1.5; and

24 (B) a tax deed may not be issued under IC 6-1.1-25 for the
25 eligible property for any tax sale of the eligible property
26 under IC 6-1.1-24 and IC 6-1.1-25 that was held because
27 one (1) or more installments of property taxes due for the
28 eligible property for the 2024 or 2025 assessment dates
29 were not timely paid.

30 (h) A taxpayer is entitled to the exemption from real property
31 tax as claimed on a property tax exemption application filed under
32 this SECTION, regardless of whether:

33 (1) a property tax exemption application was previously filed
34 for the same or similar property for the assessment date;

35 (2) the county property tax assessment board of appeals has
36 issued a final determination regarding any previously filed
37 property tax exemption application for the assessment date;

38 (3) the taxpayer appealed any denial of a previously filed
39 property tax exemption application for the assessment date;
40 or

41 (4) the records of the county in which the property subject to
42 the property tax exemption application is located identified

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1 the taxpayer as the owner of the property on the assessment
 2 date described in subsection (b) for which the property tax
 3 exemption is claimed.
 4 (i) The exemption allowed by this SECTION shall be applied
 5 and considered approved without the need for any further ruling
 6 or action by the county assessor, the county auditor, or the county
 7 property tax assessment board of appeals of the county in which
 8 the eligible property is located or by the Indiana board of tax
 9 review. The exemption approval is final and may not be appealed
 10 by the county assessor, the county property tax assessment board
 11 of appeals, or any member of the county property tax assessment
 12 board of appeals.
 13 (j) To the extent the qualified taxpayer has paid any property
 14 taxes, penalties, or interest with respect to the eligible property for
 15 the 2024 or 2025 assessment dates, the eligible taxpayer is entitled
 16 to a refund of the amounts paid. Notwithstanding the filing
 17 deadlines for a claim in IC 6-1.1-26, any claim for a refund filed by
 18 an eligible taxpayer under this subsection before September 1,
 19 2026, is considered timely filed. The county auditor shall pay the
 20 refund due under this SECTION in one (1) installment.
 21 (k) This SECTION expires July 1, 2027.
 22 SECTION 190. An emergency is declared for this act.

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