

# SENATE BILL No. 31

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 8-22-3.5-11; IC 36-7.

**Synopsis:** Elimination of annual adjustments of assessed values. Eliminates the annual adjustments (or "trending") to assessed values of certain real property for assessment dates beginning after December 31, 2024. Retains the provisions in current law that require four year cyclical reassessments. Allows a reassessment plan for the four year cyclical reassessments to include trending factors in the plan. Does not eliminate the annual adjustment for agricultural land. Makes conforming changes. Makes technical corrections.

**Effective:** January 1, 2025.

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## Niemeyer

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January 8, 2024, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

# SENATE BILL No. 31

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 6-1.1-4-4.2, AS AMENDED BY P.L.236-2023,  
2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2025]: Sec. 4.2. (a) The county assessor of each county  
4 shall, before July 1, 2013, and before May 1 of every fourth year  
5 thereafter, prepare and submit to the department of local government  
6 finance a reassessment plan for the county. The following apply to a  
7 reassessment plan prepared and submitted under this section:  
8 (1) The reassessment plan is subject to approval by the  
9 department of local government finance. The department of local  
10 government finance shall complete its review and approval of the  
11 reassessment plan before:  
12 (A) March 1, 2015; and  
13 (B) January 1 of each subsequent year that follows a year in  
14 which the reassessment plan is submitted by the county.  
15 (2) The department of local government finance shall determine  
16 the classes of real property to be used for purposes of this section.  
17 (3) Except as provided in subsection (b), the reassessment plan



- 1 must divide all parcels of real property in the county into four (4)  
2 different groups of parcels. Each group of parcels must contain  
3 approximately twenty-five percent (25%) of the parcels within  
4 each class of real property in the county.
- 5 (4) Except as provided in subsection (b), all real property in each  
6 group of parcels shall be reassessed under the county's  
7 reassessment plan once during each four (4) year cycle.
- 8 (5) The reassessment of a group of parcels in a particular class of  
9 real property shall begin on May 1 of a year.
- 10 (6) The reassessment of parcels:
- 11 (A) must include a physical inspection of each parcel of real  
12 property in the group of parcels that is being reassessed; and  
13 (B) shall be completed on or before January 1 of the year after  
14 the year in which the reassessment of the group of parcels  
15 begins.
- 16 (7) For real property included in a group of parcels that is  
17 reassessed, the reassessment is the basis for taxes payable in the  
18 year following the year in which the reassessment is to be  
19 completed.
- 20 (8) The reassessment plan must specify the dates by which the  
21 assessor must submit land values under section 13.6 of this  
22 chapter to the county property tax assessment board of appeals.
- 23 (9) The department may not approve the reassessment plan until  
24 the assessor provides verification that the land values  
25 determination under section 13.6 of this chapter has been  
26 completed.
- 27 (10) Subject to review and approval by the department of local  
28 government finance, the county assessor may modify the  
29 reassessment plan.
- 30 **(11) Beginning after December 31, 2024, a reassessment plan**  
31 **may include a system for adjusting the assessed value of**  
32 **groups of parcels that are reassessed under the plan to**  
33 **account for changes in value in those years since a**  
34 **reassessment of the parcels last took effect. A system must**  
35 **include characteristics that do the following:**
- 36 (A) **Promote uniform and equal assessment of real**  
37 **property within and across classifications.**
- 38 (B) **Require that assessing officials:**
- 39 (i) **reevaluate the factors that affect value;**  
40 (ii) **express the interactions of those factors**  
41 **mathematically;**  
42 (iii) **use mass appraisal techniques to estimate updated**



1                   **property values within statistical measures of accuracy;**  
 2                   **and**

3                   **(iv) provide notice to taxpayers of an assessment increase**  
 4                   **that results from the application of annual adjustments.**

5                   **(C) Prescribe procedures that permit the application of the**  
 6                   **adjustment percentages in an efficient manner by assessing**  
 7                   **officials.**

8                   (b) A county may submit a reassessment plan that provides for  
 9                   reassessing more than twenty-five percent (25%) of all parcels of real  
 10                   property in the county in a particular year. A plan may provide that all  
 11                   parcels are to be reassessed in one (1) year. However, a plan must  
 12                   cover a four (4) year period. All real property in each group of parcels  
 13                   shall be reassessed under the county's reassessment plan once during  
 14                   each reassessment cycle.

15                   (c) The reassessment of the first group of parcels under a county's  
 16                   reassessment plan shall begin on July 1, 2014, and shall be completed  
 17                   on or before January 1, 2015.

18                   (d) The department of local government finance may adopt rules to  
 19                   govern the reassessment of property under county reassessment plans.

20                   SECTION 2. IC 6-1.1-4-4.5 IS REPEALED [EFFECTIVE  
 21                   JANUARY 1, 2025]. Sec. 4-5: (a) The department of local government  
 22                   finance shall adopt rules establishing a system for annually adjusting  
 23                   the assessed value of real property to account for changes in value in  
 24                   those years since a reassessment under section 4.2 of this chapter for  
 25                   the property last took effect.

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

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

32                   (1) Promote uniform and equal assessment of real property within  
 33                   and across classifications:

34                   (2) Require that assessing officials:

35                   (A) reevaluate the factors that affect value;

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

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

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

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



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



1 be at least ten percent (10%) less than the final base rate  
 2 determined for the preceding assessment date; a capitalization  
 3 rate of six percent (6%) shall be used to determine the final  
 4 base rate.

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

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

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

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

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

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

25 SECTION 3. IC 6-1.1-4-4.6 IS REPEALED [EFFECTIVE  
 26 JANUARY 1, 2025]. Sec. 4.6: (a) If a county assessor fails before July  
 27 2 of a particular year for which an adjustment to the assessed value of  
 28 real property applies under section 4.5 of this chapter to prepare and  
 29 deliver to the county auditor a complete detailed list of all of the real  
 30 property listed for taxation in the county as required by IC 6-1.1-5-14  
 31 and at least one hundred eighty (180) days have elapsed after the  
 32 deadline specified in IC 6-1.1-5-14 for the county assessor to deliver  
 33 the list, the department of local government finance may develop  
 34 annual adjustment factors under this section for that year. In developing  
 35 annual adjustment factors under this section, the department of local  
 36 government finance shall use data in its possession that is obtained  
 37 from:

38 (1) the county assessor; or

39 (2) any of the sources listed in the rule, including county or state  
 40 sales data, government studies, ratio studies, cost and depreciation  
 41 tables, and other market analyses.

42 (b) Using the data described in subsection (a), the department of



1 local government finance shall propose to establish annual adjustment  
 2 factors for the affected tax districts for one (1) or more of the classes  
 3 of real property. The proposal may provide for the equalization of  
 4 annual adjustment factors in the affected township or county and in  
 5 adjacent areas. The department of local government finance shall issue  
 6 notice and provide opportunity for hearing in accordance with  
 7 IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final  
 8 annual adjustment factors.

9 (c) The annual adjustment factors finally determined by the  
 10 department of local government finance after the hearing required  
 11 under subsection (b) apply to the annual adjustment of real property  
 12 under section 4.5 of this chapter for:

13 (1) the assessment date; and

14 (2) the real property;

15 specified in the final determination of the department of local  
 16 government finance.

17 SECTION 4. IC 6-1.1-4-4.9, AS ADDED BY P.L.236-2023,  
 18 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JANUARY 1, 2025]: Sec. 4.9. (a) This section applies to an  
 20 assessment:

21 (1) under section 4.2 or 4.5 of this chapter, **section 13.2 of this**  
 22 **chapter for agricultural land**, or another law; and

23 (2) occurring after December 31, 2023.

24 (b) If the township assessor, or the county assessor if there is no  
 25 township assessor for the township, changes the underlying parcel  
 26 characteristics, including age, grade, or condition, of a property from  
 27 the previous year's assessment date, the township or county assessor  
 28 shall document:

29 (1) each change; and

30 (2) the reason that each change was made.

31 SECTION 5. IC 6-1.1-4-5.1 IS ADDED TO THE INDIANA CODE  
 32 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
 33 **JANUARY 1, 2025]: Sec. 5.1. Except as provided in section 13.2 of**  
 34 **this chapter, the annual adjustments to assessed value of real**  
 35 **property under section 4.5 of this chapter (before its repeal on**  
 36 **January 1, 2025) and section 4.6 of this chapter (before its repeal**  
 37 **on January 1, 2025) apply only to assessment dates before January**  
 38 **1, 2025.**

39 SECTION 6. IC 6-1.1-4-13.2, AS AMENDED BY P.L.180-2016,  
 40 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JANUARY 1, 2025]: Sec. 13.2. (a) **The assessed value of**  
 42 **agricultural land shall be annually adjusted to account for changes**



1 in value in those years since a reassessment under section 4.2 of  
2 this chapter for the property last took effect.

3 (b) The department of local government finance shall review  
4 and certify each annual adjustment determined for agricultural  
5 land under this section.

6 (c) Notwithstanding the provisions of this chapter and any real  
7 property assessment guidelines of the department of local government  
8 finance, for the property tax assessment of agricultural land for the  
9 2015 assessment date, the statewide agricultural land base rate value  
10 per acre used to determine the value of agricultural land is two  
11 thousand fifty dollars (\$2,050).

12 (d) In making the annual determination of the base rate to  
13 satisfy the requirement for an annual adjustment under subsection  
14 (a) for the January 1, 2016, assessment date and each assessment  
15 date thereafter, the department of local government finance shall  
16 not later than March 1 of each year determine the base rate using  
17 the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the  
18 department of local government finance's Real Property  
19 Assessment Guidelines (as in effect on January 1, 2005), except that  
20 the department shall adjust the methodology as follows:

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

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

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

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

35 (A) If the preliminary base rate for the assessment date  
36 would be at least ten percent (10%) greater than the final  
37 base rate determined for the preceding assessment date, a  
38 capitalization rate of eight percent (8%) shall be used to  
39 determine the final base rate.

40 (B) If the preliminary base rate for the assessment date  
41 would be at least ten percent (10%) less than the final base  
42 rate determined for the preceding assessment date, a





1           **capitalization rate of six percent (6%) shall be used to**  
 2           **determine the final base rate.**  
 3           **(C) If neither clause (A) nor (B) applies, a capitalization**  
 4           **rate of seven percent (7%) shall be used to determine the**  
 5           **final base rate.**  
 6           **(D) In the case of a market value in use for a year that is**  
 7           **used in the calculation of the six (6) year rolling average**  
 8           **under subdivision (1) for purposes of determining the base**  
 9           **rate for the assessment date:**  
 10           **(i) that market value in use shall be recalculated by using**  
 11           **the capitalization rate determined under clauses (A)**  
 12           **through (C) for the calculation of the base rate for the**  
 13           **assessment date; and**  
 14           **(ii) the market value in use recalculated under item (i)**  
 15           **shall be used in the calculation of the six (6) year rolling**  
 16           **average under subdivision (1).**  
 17           **(e) For assessment dates after December 31, 2009, an**  
 18           **adjustment in the assessed value of real property under this section**  
 19           **shall be based on the estimated true tax value of the property on**  
 20           **the assessment date that is the basis for taxes payable on that real**  
 21           **property.**  
 22           **(f) The department shall release the department's annual**  
 23           **determination of the base rate on or before March 1 of each year.**  
 24           SECTION 7. IC 6-1.1-4-16, AS AMENDED BY P.L.86-2018,  
 25           SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26           JANUARY 1, 2025]: Sec. 16. (a) For purposes of making a  
 27           reassessment of real property under section 4.2 of this chapter or  
 28           annual adjustments **for agricultural land** under section ~~4.5~~ **13.2** of this  
 29           chapter, a township assessor (if any) and a county assessor may  
 30           employ:  
 31           (1) deputies;  
 32           (2) employees; and  
 33           (3) technical advisors who are:  
 34           (A) qualified to determine real property values;  
 35           (B) professional appraisers certified under 50 IAC 15; and  
 36           (C) employed either on a full-time or a part-time basis, subject  
 37           to sections 18.5 and 19.5 of this chapter.  
 38           (b) The county council of each county shall appropriate the funds  
 39           necessary for the employment of deputies, employees, or technical  
 40           advisors employed under subsection (a). ~~of this section.~~  
 41           SECTION 8. IC 6-1.1-4-22, AS AMENDED BY P.L.178-2021,  
 42           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2025]: Sec. 22. (a) If any assessing official assesses or  
 2 reassesses any real property under this article (including an annual  
 3 adjustment **for agricultural land** under section ~~4.5~~ **13.2** of this  
 4 chapter), the official shall give notice to the taxpayer and the county  
 5 assessor, by mail or by using electronic mail that includes a secure  
 6 Internet link to the information in the notice, of the amount of the  
 7 assessment or reassessment.

8 (b) Each township or county assessor shall provide the notice  
 9 required by this section by the earlier of:

10 (1) ninety (90) days after the assessor:

11 (A) completes the appraisal of a parcel; or

12 (B) receives a report for a parcel from a professional appraiser  
 13 or professional appraisal firm; or

14 (2) April 10 of the year containing the assessment date for which  
 15 the assessment or reassessment first applies, if the assessment  
 16 date occurs in a year that ends before January 1, 2016, and  
 17 February 10 of the year containing the assessment date for which  
 18 the assessment or reassessment first applies, if the assessment  
 19 date occurs in a year that begins after December 31, 2015.

20 (c) The notice required by this section is in addition to any required  
 21 notice of assessment or reassessment included in a property tax  
 22 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

23 (d) The notice required by this section must include notice to the  
 24 person of the opportunity to appeal the assessed valuation under  
 25 IC 6-1.1-15-1.1.

26 (e) Notice of the opportunity to appeal the assessed valuation  
 27 required under subsection (d) must include the following:

28 (1) The procedure that a taxpayer must follow to appeal the  
 29 assessment or reassessment.

30 (2) The forms that must be filed for an appeal of the assessment  
 31 or reassessment.

32 (3) Notice that an appeal of the assessment or reassessment  
 33 requires evidence relevant to the true tax value of the taxpayer's  
 34 property as of the assessment date.

35 (f) The notice required by this section must include notice to the  
 36 taxpayer of the taxpayer's right to submit a written complaint to the  
 37 department under IC 6-1.1-35.7-4(b) if a taxpayer has reason to believe  
 38 that the township assessor, the county assessor, an employee of the  
 39 township assessor or county assessor, or an appraiser has violated  
 40 IC 6-1.1-35.7-3 or IC 6-1.1-35.7-4(a). The notice required under this  
 41 subsection must include the procedure that a taxpayer must follow to  
 42 submit the written complaint to the department.



1 SECTION 9. IC 6-1.1-4-27.5, AS AMENDED BY P.L.5-2015,  
 2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JANUARY 1, 2025]: Sec. 27.5. (a) The auditor of each county shall  
 4 establish a property reassessment fund. The county treasurer shall  
 5 deposit all collections resulting from the property taxes that the county  
 6 levies for the county's property reassessment fund.

7 (b) With respect to a reassessment of real property under a county's  
 8 reassessment plan under section 4.2 of this chapter, the county council  
 9 of each county shall, for property taxes due each year, levy against all  
 10 the taxable property in the county an amount equal to the estimated  
 11 costs of the reassessment under section 28.5 of this chapter for the  
 12 group of parcels to be reassessed in that year.

13 (c) The county assessor may petition the county fiscal body to  
 14 increase the levy under subsection (b) to pay for the costs of:

15 (1) a reassessment of one (1) or more groups of parcels under a  
 16 county's reassessment plan prepared under section 4.2 of this  
 17 chapter;

18 (2) verification under 50 IAC 27-4-7 of sales disclosure forms  
 19 forwarded to the county assessor under IC 6-1.1-5.5-3; or

20 (3) processing annual adjustments **for agricultural land** under  
 21 section ~~4.5~~ **13.2** of this chapter.

22 The assessor must document the needs and reasons for the increased  
 23 funding.

24 **(d) This subsection applies to an assessment date beginning after**  
 25 **December 31, 2024. If a county fiscal body increased the levy under**  
 26 **subsection (b) to pay for the costs of processing annual adjustments**  
 27 **under section 4.5 of this chapter (before its repeal on January 1,**  
 28 **2025), the county fiscal body shall reduce the levy under subsection**  
 29 **(b) by an amount equal to:**

30 **(1) the amount of the prior increase imposed to pay for the**  
 31 **costs of processing annual adjustments before January 1,**  
 32 **2025; minus**

33 **(2) the relative amount of the prior increase in subdivision (1)**  
 34 **that is attributable to the costs of processing annual**  
 35 **adjustments for agricultural land under section 13.2 of this**  
 36 **chapter.**

37 ~~(d)~~ **(e)** If the county fiscal body denies a petition under subsection  
 38 (c), the county assessor may appeal to the department of local  
 39 government finance. The department of local government finance shall:

40 (1) hear the appeal; and

41 (2) determine whether the additional levy is necessary.

42 SECTION 10. IC 6-1.1-4-28.5, AS AMENDED BY P.L.86-2018,



1 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JANUARY 1, 2025]: Sec. 28.5. (a) Money assigned to a property  
3 reassessment fund under section 27.5 of this chapter may be used only  
4 to pay the costs of:

- 5 (1) the reassessment of one (1) or more groups of parcels under
- 6 a county's reassessment plan prepared under section 4.2 of this
- 7 chapter, including the computerization of assessment records;
- 8 (2) payments to assessing officials and hearing officers for county
- 9 property tax assessment boards of appeals under IC 6-1.1-35.2;
- 10 (3) the development or updating of detailed soil survey data by
- 11 the United States Department of Agriculture or its successor
- 12 agency;
- 13 (4) the updating of plat books;
- 14 (5) payments for the salary of permanent staff or for the
- 15 contractual services of temporary staff who are necessary to assist
- 16 assessing officials;
- 17 (6) making annual adjustments **for agricultural land** under
- 18 section ~~4.5~~ **13.2** of this chapter; and
- 19 (7) the verification under 50 IAC 27-4-7 of sales disclosure forms
- 20 forwarded to:
  - 21 (A) the county assessor; or
  - 22 (B) township assessors (if any);
  - 23 under IC 6-1.1-5.5-3.

24 Money in a property reassessment fund may not be transferred or  
25 reassigned to any other fund and may not be used for any purposes  
26 other than those set forth in this section.

27 (b) All counties shall use modern, detailed soil maps in the  
28 reassessment of agricultural land.

29 (c) The county treasurer of each county shall, in accordance with  
30 IC 5-13-9, invest any money accumulated in the property reassessment  
31 fund. Any interest received from investment of the money shall be paid  
32 into the property reassessment fund.

33 (d) An appropriation under this section must be approved by the  
34 fiscal body of the county after the review and recommendation of the  
35 county assessor. However, in a county with a township assessor in  
36 every township, the county assessor does not review an appropriation  
37 under this section, and only the fiscal body must approve an  
38 appropriation under this section.

39 SECTION 11. IC 6-1.1-4-39, AS AMENDED BY P.L.236-2023,  
40 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JANUARY 1, 2025]: Sec. 39. (a) For assessment dates after February  
42 28, 2005, except as provided in subsections (c) and (e), the true tax



1 value of real property regularly used to rent or otherwise furnish  
2 residential accommodations for periods of thirty (30) days or more and  
3 that has more than four (4) rental units is the lowest valuation  
4 determined by applying each of the following appraisal approaches:

5 (1) Cost approach that includes an estimated reproduction or  
6 replacement cost of buildings and land improvements as of the  
7 date of valuation together with estimates of the losses in value  
8 that have taken place due to wear and tear, design and plan, or  
9 neighborhood influences.

10 (2) Sales comparison approach, using data for generally  
11 comparable property.

12 (3) Income capitalization approach, using an applicable  
13 capitalization method and appropriate capitalization rates that are  
14 developed and used in computations that lead to an indication of  
15 value commensurate with the risks for the subject property use.

16 (b) The gross rent multiplier method is the preferred method of  
17 valuing:

18 (1) real property that has at least one (1) and not more than four  
19 (4) rental units; and

20 (2) mobile homes assessed under IC 6-1.1-7.

21 (c) A township assessor (if any) or the county assessor is not  
22 required to appraise real property referred to in subsection (a) using the  
23 three (3) appraisal approaches listed in subsection (a) if the assessor  
24 and the taxpayer agree before notice of the assessment is given to the  
25 taxpayer under section 22 of this chapter to the determination of the  
26 true tax value of the property by the assessor using one (1) of those  
27 appraisal approaches.

28 (d) To carry out this section, the department of local government  
29 finance may adopt rules for assessors to use in gathering and  
30 processing information for the application of the income capitalization  
31 method and the gross rent multiplier method. If a taxpayer wishes to  
32 have the income capitalization method or the gross rent multiplier  
33 method used in the initial formulation of the assessment of the  
34 taxpayer's property, the taxpayer must submit the necessary information  
35 to the assessor not later than the assessment date. However, the  
36 taxpayer is not prejudiced in any way and is not restricted in pursuing  
37 an appeal, if the data is not submitted by the assessment date. A  
38 taxpayer must verify under penalties for perjury any information  
39 provided to the township or county assessor for use in the application  
40 of either method. All information related to earnings, income, profits,  
41 losses, or expenditures that is provided to the assessor under this  
42 section is confidential under IC 6-1.1-35-9 to the same extent as



1 information related to earnings, income, profits, losses, or expenditures  
2 of personal property is confidential under IC 6-1.1-35-9.

3 (e) The true tax value of low income rental property (as defined in  
4 section 41 of this chapter) is not determined under subsection (a). The  
5 assessment method prescribed in section 41 of this chapter is the  
6 exclusive method for assessment of that property. This subsection does  
7 not impede any rights to appeal an assessment.

8 (f) ~~Notwithstanding IC 6-1.1-4-4.5,~~ For assessment dates beginning  
9 after December 31, 2023, the county assessor or township assessor  
10 making the assessment shall perform an assessment of property  
11 qualifying under subsection (a) annually, and for each assessment year,  
12 perform a valuation of the property qualifying under subsection (a)  
13 using each of the appraisal approaches in subsection (a)(1) through  
14 (a)(3) and annually report to the taxpayer each of the values under  
15 those approaches as determined by the assessor on a form as prescribed  
16 under subsection (i). The assessor shall use the department cost  
17 schedules without modifiers, adjustments, or other trending factors.

18 (g) The county assessor or township assessor making the assessment  
19 of property qualifying under subsection (a) has the burden of proof to  
20 establish that the assessment is correct and that the assessed value is  
21 the lowest value of those determined using the three (3) appraisal  
22 approaches performed by the county assessor or township assessor  
23 regardless of the percentage change in the assessed value.

24 (h) Upon request of the taxpayer, the county assessor or township  
25 assessor making the assessment shall provide an explanation to the  
26 taxpayer concerning how the assessed value of the property was  
27 calculated.

28 (i) The department shall prescribe a specific form for property  
29 qualifying under subsection (a).

30 SECTION 12. IC 6-1.1-4-42, AS AMENDED BY P.L.159-2020,  
31 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32 JANUARY 1, 2025]: Sec. 42. (a) This section applies to assessment  
33 dates after January 15, 2010.

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

35 (1) "Golf course" means an area of land predominately used to  
36 play the game of golf and associated yard improvements. A golf  
37 course consists of a series of holes, each consisting of a teeing  
38 area, fairway, rough and other hazards, and the green with the pin  
39 and cup.

40 (2) "Yard improvements" include a clubhouse, irrigation systems,  
41 a pro shop, a maintenance building, a driving range, a structure  
42 for food and beverage services, or other buildings associated with



1 the operation of and included in the net operating income of a golf  
2 course.

3 (c) The true tax value of real property regularly used as a golf course  
4 is the valuation determined by applying the income capitalization  
5 appraisal approach. The income capitalization approach used to  
6 determine the true tax value of a golf course must:

7 (1) incorporate an applicable income capitalization method and  
8 appropriate capitalization rates that are developed and used in  
9 computations that lead to an indication of value commensurate  
10 with the risks for the subject property use;

11 (2) provide for the uniform and equal assessment of golf courses;  
12 and

13 (3) exclude the value of personal property, intangible property,  
14 and income derived from personal or intangible property.

15 (d) For assessment dates after January 15, 2010, and before March  
16 1, 2012, a township assessor (if any) or the county assessor shall gather  
17 and process information from the owner of a golf course to carry out  
18 this section in accordance with the rules adopted by the department of  
19 local government finance under IC 4-22-2.

20 (e) For assessment dates after February 28, 2012, the department of  
21 local government finance shall, by rules adopted under IC 4-22-2,  
22 establish uniform income capitalization rates annually and procedures  
23 to be used for the assessment of golf courses. The department of local  
24 government finance may rely on recognized sources of industry  
25 capitalization rates. Assessing officials shall use the procedures  
26 adopted by the department of local government finance to assess **and**  
27 reassess ~~and annually adjust~~ the assessed value of golf courses.

28 (f) The department of local government finance may prescribe  
29 procedures, forms, and due dates for the collection from the owners or  
30 operators of golf courses of the necessary earnings, income, profits,  
31 losses, and expenditures data necessary to carry out this section. An  
32 owner or operator of a golf course shall comply with the procedures  
33 and reporting schedules prescribed by the department of local  
34 government finance.

35 (g) On or before December 31 of each year, assessing officials shall  
36 solicit, and the owners or operators of a golf course shall provide to the  
37 assessing officials, data for the gross income and allowable operating  
38 expenses for the three (3) years immediately preceding the year in  
39 which the solicitation and submission of data is being made. Assessing  
40 officials may use federal tax returns or other similar evidence as  
41 verification that the submissions are correct.

42 (h) For each assessment date, assessing officials shall examine and



1 evaluate the three (3) consecutive years of financial records and federal  
 2 tax returns that are submitted under subsection (g) in the year  
 3 immediately preceding the year of the assessment date to obtain the  
 4 average net operating income. The three (3) year average should  
 5 include the most current completed financial records and filed federal  
 6 tax returns of the golf course as of the assessment date to ensure that  
 7 the appropriate income and expense information for the subject  
 8 property is used.

9 (i) All income and expense information provided to the assessing  
 10 official under this section is confidential under IC 6-1.1-35-9.

11 SECTION 13. IC 6-1.1-12.4-2, AS AMENDED BY P.L.86-2018,  
 12 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JANUARY 1, 2025]: Sec. 2. (a) For purposes of this section, an  
 14 increase in the assessed value of real property is determined in the  
 15 same manner that an increase in the assessed value of real property is  
 16 determined for purposes of IC 6-1.1-12.1.

17 (b) This subsection applies only to a development, redevelopment,  
 18 or rehabilitation that is first assessed after March 1, 2005, and before  
 19 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,  
 20 and 8 of this chapter, an owner of real property that:

- 21 (1) develops, redevelops, or rehabilitates the real property; and
- 22 (2) creates or retains employment from the development,  
 23 redevelopment, or rehabilitation;

24 is entitled to a deduction from the assessed value of the real property.

25 (c) Subject to section 14 of this chapter, the deduction under this  
 26 section is first available in the year in which the increase in assessed  
 27 value resulting from the development, redevelopment, or rehabilitation  
 28 occurs and continues for the following two (2) years. The amount of the  
 29 deduction that a property owner may receive with respect to real  
 30 property located in a county for a particular year equals the lesser of:

- 31 (1) two million dollars (\$2,000,000); or
- 32 (2) the product of:
  - 33 (A) the increase in assessed value resulting from the
  - 34 development, rehabilitation, or redevelopment; multiplied by
  - 35 (B) the percentage from the following table:

36 YEAR OF DEDUCTION	PERCENTAGE
37 1st	75%
38 2nd	50%
39 3rd	25%

40 (d) A property owner that qualifies for the deduction under this  
 41 section must file a notice to claim the deduction. The township  
 42 assessor, or the county assessor if there is no township assessor for the





1 township, shall:

2 (1) inform the county auditor of the real property eligible for the

3 deduction as contained in the notice filed by the taxpayer under

4 this subsection; and

5 (2) inform the county auditor of the deduction amount.

6 (e) The county auditor shall:

7 (1) make the deductions; and

8 (2) notify the county property tax assessment board of appeals of

9 all deductions approved;

10 under this section.

11 (f) The amount of the deduction determined under subsection (c)(2)

12 is adjusted to reflect the percentage increase or decrease in assessed

13 valuation that results from

14 (†) a reassessment under a county's reassessment plan prepared

15 under IC 6-1.1-4-4.2. ~~or~~

16 ~~(2) an annual adjustment under IC 6-1.1-4-4.5.~~

17 (g) If an appeal of an assessment is approved that results in a

18 reduction of the assessed value of the real property, the amount of the

19 deduction under this section is adjusted to reflect the percentage

20 decrease that results from the appeal.

21 (h) The deduction under this section does not apply to a facility

22 listed in IC 6-1.1-12.1-3(e).

23 SECTION 14. IC 6-1.1-18-12, AS AMENDED BY P.L.174-2022,

24 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

25 JANUARY 1, 2025]: Sec. 12. (a) For purposes of this section,

26 "maximum rate" refers to the maximum:

27 (1) property tax rate or rates; or

28 (2) special benefits tax rate or rates;

29 referred to in the statutes listed in subsection (d).

30 (b) The maximum rate for taxes first due and payable after 2003 is

31 the maximum rate that would have been determined under subsection

32 (e) for taxes first due and payable in 2003 if subsection (e) had applied

33 for taxes first due and payable in 2003.

34 (c) The maximum rate must be adjusted each year to account for the

35 change in assessed value of real property that results from:

36 (1) an annual adjustment of the assessed value of ~~real property~~

37 **agricultural land** under ~~IC 6-1.1-4-4.5; IC 6-1.1-4-13.2;~~ or

38 (2) a reassessment under a county's reassessment plan prepared

39 under IC 6-1.1-4-4.2.

40 (d) The statutes to which subsection (a) refers are:

41 (1) IC 8-10-5-17 (for taxes due and payable before January 1,

42 2023);



- 1 (2) IC 8-22-3-11;
- 2 (3) IC 8-22-3-25 (for taxes due and payable before January 1,
- 3 2023);
- 4 (4) IC 12-29-1-1;
- 5 (5) IC 12-29-1-2;
- 6 (6) IC 12-29-1-3;
- 7 (7) IC 12-29-3-6;
- 8 (8) IC 13-21-3-12;
- 9 (9) IC 13-21-3-15;
- 10 (10) IC 14-27-6-30;
- 11 (11) IC 14-33-7-3;
- 12 (12) IC 14-33-21-5 (for taxes due and payable before January 1,
- 13 2023);
- 14 (13) IC 15-14-7-4;
- 15 (14) IC 15-14-9-1;
- 16 (15) IC 15-14-9-2;
- 17 (16) IC 16-20-2-18;
- 18 (17) IC 16-20-4-27;
- 19 (18) IC 16-20-7-2;
- 20 (19) IC 16-22-14;
- 21 (20) IC 16-23-1-29;
- 22 (21) IC 16-23-3-6;
- 23 (22) IC 16-23-4-2;
- 24 (23) IC 16-23-5-6;
- 25 (24) IC 16-23-7-2;
- 26 (25) IC 16-23-8-2;
- 27 (26) IC 16-23-9-2;
- 28 (27) IC 16-41-15-5;
- 29 (28) IC 16-41-33-4;
- 30 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 31 (30) IC 20-46-6-5 (before its repeal on January 1, 2019);
- 32 (31) IC 20-49-2-10;
- 33 (32) IC 36-1-19-1;
- 34 (33) IC 23-14-66-2;
- 35 (34) IC 23-14-67-3;
- 36 (35) IC 36-7-13-4;
- 37 (36) IC 36-7-14-28;
- 38 (37) IC 36-7-15.1-16;
- 39 (38) IC 36-8-19-8.5 (for taxes due and payable before January 1,
- 40 2023);
- 41 (39) IC 36-9-6.1-2;
- 42 (40) IC 36-9-17.5-4 (for taxes due and payable before January 1,



- 1 2023);
- 2 (41) IC 36-9-27-73;
- 3 (42) IC 36-9-29-31;
- 4 (43) IC 36-9-29.1-15;
- 5 (44) IC 36-10-6-2;
- 6 (45) IC 36-10-7-7;
- 7 (46) IC 36-10-7-8;
- 8 (47) IC 36-10-7.5-19 (for taxes due and payable before January 1,
- 9 2023);
- 10 (48) IC 36-10-13-5 (before the power to impose a levy was
- 11 removed on January 1, 2019);
- 12 (49) IC 36-10-13-7 (before the power to impose a levy was
- 13 removed on January 1, 2019);
- 14 (50) IC 36-10-14-4 (before its repeal on January 1, 2019);
- 15 (51) IC 36-12-7-7;
- 16 (52) IC 36-12-7-8;
- 17 (53) IC 36-12-12-10;
- 18 (54) a statute listed in IC 6-1.1-18.5-9.8 (for taxes due and
- 19 payable before January 1, 2023); and
- 20 (55) any statute enacted after December 31, 2003, that:
- 21 (A) establishes a maximum rate for any part of the:
- 22 (i) property taxes; or
- 23 (ii) special benefits taxes;
- 24 imposed by a political subdivision; and
- 25 (B) does not exempt the maximum rate from the adjustment
- 26 under this section.
- 27 (e) For property tax rates imposed for property taxes first due and
- 28 payable after December 31, 2013, the new maximum rate under a
- 29 statute listed in subsection (d) is the tax rate determined under STEP
- 30 EIGHT of the following STEPS:
- 31 STEP ONE: Determine the maximum rate for the political
- 32 subdivision levying a property tax or special benefits tax under
- 33 the statute for the previous calendar year.
- 34 STEP TWO: Determine the actual percentage change (rounded to
- 35 the nearest one-hundredth percent (0.01%)) in the assessed value
- 36 of the taxable property from the previous calendar year to the year
- 37 in which the affected property taxes will be imposed.
- 38 STEP THREE: Determine the three (3) calendar years that
- 39 immediately precede the year in which the affected property taxes
- 40 will be imposed.
- 41 STEP FOUR: Compute separately, for each of the calendar years
- 42 determined in STEP THREE, the actual percentage change



1 (rounded to the nearest one-hundredth percent (0.01%)) in the  
2 assessed value, before the adjustment, if any, under IC 6-1.1-4-4.5  
3 **(before its repeal on January 1, 2025), or before the**  
4 **adjustment, if any, for agricultural land under IC 6-1.1-4-13.2**  
5 **(beginning after December 31, 2024)** of the taxable property  
6 from the preceding year.

7 STEP FIVE: Divide the sum of the three (3) quotients computed  
8 in STEP FOUR by three (3).

9 STEP SIX: Determine the greater of the following:

- 10 (A) Zero (0).
- 11 (B) The STEP FIVE result.

12 STEP SEVEN: Determine the greater of the following:

- 13 (A) Zero (0).
- 14 (B) The result of the STEP TWO percentage minus the STEP  
15 SIX percentage, if any.

16 STEP EIGHT: Determine the quotient of the STEP ONE tax rate  
17 divided by the sum of one (1) plus the STEP SEVEN percentage,  
18 if any.

19 (f) The department of local government finance shall compute the  
20 maximum rate allowed under subsection (e) and provide the rate to  
21 each political subdivision with authority to levy a tax under a statute  
22 listed in subsection (d).

23 SECTION 15. IC 6-1.1-37-9, AS AMENDED BY P.L.232-2017,  
24 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JANUARY 1, 2025]: Sec. 9. (a) This section applies when:

- 26 (1) an assessment is made or increased after the date or dates on  
27 which the taxes for the year for which the assessment is made  
28 were originally due;
- 29 (2) the assessment upon which a taxpayer has been paying taxes  
30 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a  
31 petition for review or a judicial proceeding has been pending is  
32 less than the assessment that results from the final determination  
33 of the petition for review or judicial proceeding; or
- 34 (3) the collection of certain ad valorem property taxes has been  
35 enjoined under IC 33-26-6-2, and under the final determination of  
36 the petition for judicial review the taxpayer is liable for at least  
37 part of those taxes.

38 (b) Except as provided in subsections (c) and (g), a taxpayer shall  
39 pay interest on the taxes the taxpayer is required to pay as a result of an  
40 action or a determination described in subsection (a) at the rate  
41 established by the commissioner of the department of state revenue  
42 under IC 6-8.1-10-1 from the original due date or dates for those taxes



- 1 to:
- 2 (1) the date of payment; or
- 3 (2) the date on which penalties for the late payment of a tax
- 4 installment may be charged under subsection (e) or (f);
- 5 whichever occurs first. The interest shall be computed using the rate in
- 6 effect for each particular year in which the interest accrued.
- 7 (c) Except as provided in subsection (g), a taxpayer shall pay
- 8 interest on the taxes the taxpayer is ultimately required to pay in excess
- 9 of the amount that the taxpayer is required to pay under
- 10 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial
- 11 proceeding has been pending at the overpayment rate established under
- 12 Section 6621(c)(1) of the Internal Revenue Code in effect on the
- 13 original due date or dates for those taxes from the original due date or
- 14 dates for those taxes to:
- 15 (1) the date of payment; or
- 16 (2) the date on which penalties for the late payment of a tax
- 17 installment may be charged under subsection (e) or (f);
- 18 whichever occurs first.
- 19 (d) With respect to an action or determination described in
- 20 subsection (a), the taxpayer shall pay the taxes resulting from that
- 21 action or determination and the interest prescribed under subsection (b)
- 22 or (c) on or before:
- 23 (1) the next May 10; or
- 24 (2) the next November 10;
- 25 whichever occurs first.
- 26 (e) A taxpayer shall begin paying the penalty prescribed in section
- 27 10 of this chapter on the day after the date for payment prescribed in
- 28 subsection (d) if:
- 29 (1) the taxpayer has not paid the amount of taxes resulting from
- 30 the action or determination; and
- 31 (2) the taxpayer either:
- 32 (A) received notice of the taxes the taxpayer is required to pay
- 33 as a result of the action or determination at least thirty (30)
- 34 days before the date for payment; or
- 35 (B) voluntarily signed and filed an assessment return for the
- 36 taxes.
- 37 (f) If subsection (e) does not apply, a taxpayer who has not paid the
- 38 amount of taxes resulting from the action or determination shall begin
- 39 paying the penalty prescribed in section 10 of this chapter on:
- 40 (1) the next May 10 which follows the date for payment
- 41 prescribed in subsection (d); or
- 42 (2) the next November 10 which follows the date for payment



1 prescribed in subsection (d);  
2 whichever occurs first.

3 (g) A taxpayer is not subject to the payment of interest on real  
4 property assessments under subsection (b) or (c) if:

5 (1) an assessment is made or increased after the date or dates on  
6 which the taxes for the year for which the assessment is made  
7 were due;

8 (2) the assessment or the assessment increase is made as the result  
9 of error or neglect by the assessor or by any other official  
10 involved with the assessment of property or the collection of  
11 property taxes; and

12 (3) the assessment:

13 (A) would have been made on the normal assessment date if  
14 the error or neglect had not occurred; or

15 (B) increase would have been included in the assessment on  
16 the normal ~~annual~~ assessment date if the error or neglect had  
17 not occurred.

18 SECTION 16. IC 6-1.1-39-5, AS AMENDED BY P.L.214-2019,  
19 SECTION 22, AND AS AMENDED BY P.L.257-2019, SECTION 68,  
20 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
21 [EFFECTIVE JANUARY 1, 2025]: Sec. 5. (a) A declaratory ordinance  
22 adopted under section 2 of this chapter and confirmed under section 3  
23 of this chapter must include a provision with respect to the allocation  
24 and distribution of property taxes for the purposes and in the manner  
25 provided in this section. The allocation provision must apply to the  
26 entire economic development district. The allocation provisions must  
27 require that any property taxes subsequently levied by or for the benefit  
28 of any public body entitled to a distribution of property taxes on taxable  
29 property in the economic development district be allocated and  
30 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. However, if the effective date of the  
39 allocation provision of a declaratory ordinance is after March 1,  
40 1985, and before January 1, 1986, and if an improvement to  
41 property was partially completed on March 1, 1985, the unit may  
42 provide in the declaratory ordinance that the taxes attributable to



1 the assessed value of the property as finally determined for March  
2 1, 1984, shall be allocated to and, when collected, paid into the  
3 funds of the respective taxing units.

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

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

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

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

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

35 (2) the base assessed value.

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

40 (e) Notwithstanding any other law, the assessed value of all taxable  
41 property in the economic development district, for purposes of tax  
42 limitation, property tax replacement, and formulation of the budget, tax



1 rate, and tax levy for each political subdivision in which the property  
2 is located, is the 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 (f) The state board of accounts and department of local government  
7 finance shall make the rules and prescribe the forms and procedures  
8 that they consider expedient for the implementation of this chapter.  
9 After each reassessment of a group of parcels under a reassessment  
10 plan prepared under IC 6-1.1-4-4.2 the department of local government  
11 finance shall adjust the base assessed value one (1) time to neutralize  
12 any effect of the reassessment on the property tax proceeds allocated  
13 to the district under this section. After each annual adjustment **for**  
14 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
15 department of local government finance shall adjust the base assessed  
16 value to neutralize any effect of the annual adjustment on the property  
17 tax proceeds allocated to the district under this section. However, the  
18 adjustments under this subsection may not include the effect of  
19 property tax abatements under IC 6-1.1-12.1.

20 (g) As used in this section, "property taxes" means:

21 (1) taxes imposed under this article on real property; and

22 (2) any part of the taxes imposed under this article on depreciable  
23 personal property that the unit has by ordinance allocated to the  
24 economic development district. However, the ordinance may not  
25 limit the allocation to taxes on depreciable personal property with  
26 any particular useful life or lives.

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

32 (h) As used in this section, "base assessed value" means, subject to  
33 subsection (i):

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

38 (2) to the extent that it is not included in subdivision (1), the net  
39 assessed value of property that is assessed as residential property  
40 under the rules of the department of local government finance,  
41 *within the economic development district*, as finally determined  
42 for ~~any~~ the current assessment date. *after the effective date of the*





1 *allocation provision.*  
2 Subdivision (2) applies only to economic development districts  
3 established after June 30, 1997, and to additional areas established  
4 after June 30, 1997.

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

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

14 (2) the date on which the documents are filed with the  
15 department.

16 SECTION 17. IC 8-22-3.5-11, AS AMENDED BY P.L.86-2018,  
17 SECTION 144, IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE JANUARY 1, 2025]: Sec. 11. (a) The state board of  
19 accounts and the department of local government finance shall make  
20 the rules and prescribe the forms and procedures that the state board of  
21 accounts and department consider appropriate for the implementation  
22 of this chapter.

23 (b) After each reassessment under IC 6-1.1-4, the department of  
24 local government finance shall adjust the base assessed value (as  
25 defined in section 9 of this chapter) one (1) time to neutralize any effect  
26 of the reassessment on the property tax proceeds allocated to the airport  
27 development zone's special funds under section 9 of this chapter.

28 (c) After each annual adjustment **for agricultural land** under  
29 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government  
30 finance shall adjust the base assessed value (as defined in section 9 of  
31 this chapter) to neutralize any effect of the annual adjustment on the  
32 property tax proceeds allocated to the airport development zone's  
33 special funds under section 9 of this chapter.

34 SECTION 18. IC 36-7-14-39, AS AMENDED BY P.L.236-2023,  
35 SECTION 179, IS AMENDED TO READ AS FOLLOWS  
36 [EFFECTIVE JANUARY 1, 2025]: Sec. 39. (a) As used in this section:

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

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



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



1 area added after June 30, 1995.

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

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

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



1 rentals on leases payable from tax increment revenues. However, with  
 2 respect to bonds or other obligations that were issued before July 1,  
 3 2008, if any of the bonds or other obligations that were scheduled when  
 4 issued to mature before the specified expiration date and that are  
 5 payable only from allocated tax proceeds with respect to the allocation  
 6 area remain outstanding as of the expiration date, the allocation  
 7 provision does not expire until all of the bonds or other obligations are  
 8 no longer outstanding. Notwithstanding any other law, in the case of an  
 9 allocation area that is established after June 30, 2019, and that is  
 10 located in a redevelopment project area described in section  
 11 25.1(c)(3)(C) of this chapter, an economic development area described  
 12 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
 13 area described in section 25.1(c)(3)(C) of this chapter, the expiration  
 14 date of the allocation provision may not be more than thirty-five (35)  
 15 years after the date on which the allocation provision is established.  
 16 The allocation provision may apply to all or part of the redevelopment  
 17 project area. The allocation provision must require that any property  
 18 taxes subsequently levied by or for the benefit of any public body  
 19 entitled to a distribution of property taxes on taxable property in the  
 20 allocation area be allocated and distributed as follows:

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

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

26 (B) the base assessed value;

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

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

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

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

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



1                   STEP THREE: Multiply the STEP TWO amount by the  
2                   allocated property tax attributable to the participating unit of  
3                   the fire protection territory; and  
4                   (B) to the extent not otherwise included in subdivisions (1)  
5                   and (3), the amount determined under STEP THREE of clause  
6                   (A) shall be allocated to and distributed in the form of an  
7                   allocated property tax revenue pass back to the participating  
8                   unit of the fire protection territory for the assessment date with  
9                   respect to which the allocation is made.

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

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

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

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



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



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

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

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

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

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

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

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

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



1 subdivision on the redemption before maturity of bonds, and  
2 any payments on leases payable under this subdivision.

3 (ii) Make any reimbursements required under this  
4 subdivision.

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

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

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

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

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

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

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

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

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

39 The county auditor shall allocate to the respective taxing units  
40 the amount, if any, of excess assessed value determined by the  
41 commission. The commission may not authorize an allocation  
42 of assessed value to the respective taxing units under this





1 subdivision if to do so would endanger the interests of the  
 2 holders of bonds described in subdivision (4) or lessors under  
 3 section 25.3 of this chapter.

4 (C) If:

5 (i) the amount of excess assessed value determined by the  
 6 commission is expected to generate more than two hundred  
 7 percent (200%) of the amount of allocated tax proceeds  
 8 necessary to make, when due, principal and interest  
 9 payments on bonds described in subdivision (4); plus

10 (ii) the amount necessary for other purposes described in  
 11 subdivision (4);

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

20 (6) Notwithstanding subdivision (5), in the case of an allocation  
 21 area that is established after June 30, 2019, and that is located in  
 22 a redevelopment project area described in section 25.1(c)(3)(C)  
 23 of this chapter, an economic development area described in  
 24 section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
 25 area described in section 25.1(c)(3)(C) of this chapter, for each  
 26 year the allocation provision is in effect, if the amount of excess  
 27 assessed value determined by the commission under subdivision  
 28 (5)(A) is expected to generate more than two hundred percent  
 29 (200%) of:

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

33 (B) the amount necessary for other purposes described in  
 34 subdivision (4) for the project;

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

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



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



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

11 (h) The state board of accounts and department of local government  
 12 finance shall make the rules and prescribe the forms and procedures  
 13 that they consider expedient for the implementation of this chapter.  
 14 After each reassessment in an area under a reassessment plan prepared  
 15 under IC 6-1.1-4-4.2, the department of local government finance shall  
 16 adjust the base assessed value one (1) time to neutralize any effect of  
 17 the reassessment of the real property in the area on the property tax  
 18 proceeds allocated to the redevelopment district under this section.  
 19 After each annual adjustment **for agricultural land** under  
 20 ~~IC 6-1.1-4-4.5~~; **IC 6-1.1-4-13.2**, the department of local government  
 21 finance shall adjust the base assessed value one (1) time to neutralize  
 22 any effect of the annual adjustment on the property tax proceeds  
 23 allocated to the redevelopment district under this section. However, the  
 24 adjustments under this subsection:

- 25 (1) may not include the effect of phasing in assessed value due to  
 26 property tax abatements under IC 6-1.1-12.1;  
 27 (2) may not produce less property tax proceeds allocable to the  
 28 redevelopment district under subsection (b)(4) than would  
 29 otherwise have been received if the reassessment under the  
 30 reassessment plan or the annual adjustment **for agricultural land**  
 31 had not occurred; and  
 32 (3) may decrease base assessed value only to the extent that  
 33 assessed values in the allocation area have been decreased due to  
 34 annual adjustments **for agricultural land** or the reassessment  
 35 under the reassessment plan.

36 Assessed value increases attributable to the application of an abatement  
 37 schedule under IC 6-1.1-12.1 may not be included in the base assessed  
 38 value of an allocation area. The department of local government  
 39 finance may prescribe procedures for county and township officials to  
 40 follow to assist the department in making the adjustments.

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



- 1 (1) The initial allocation deadline is December 31, 2011.
- 2 (2) Subject to subdivision (3), the initial allocation deadline and  
3 subsequent allocation deadlines are automatically extended in  
4 increments of five (5) years, so that allocation deadlines  
5 subsequent to the initial allocation deadline fall on December 31,  
6 2016, and December 31 of each fifth year thereafter.
- 7 (3) At least one (1) year before the date of an allocation deadline  
8 determined under subdivision (2), the general assembly may enact  
9 a law that:
- 10 (A) terminates the automatic extension of allocation deadlines  
11 under subdivision (2); and
- 12 (B) specifically designates a particular date as the final  
13 allocation deadline.
- 14 (j) If a redevelopment commission adopts a declaratory resolution  
15 or an amendment to a declaratory resolution that contains an allocation  
16 provision and the redevelopment commission makes either of the  
17 filings required under section 17(e) of this chapter after the first  
18 anniversary of the effective date of the allocation provision, the auditor  
19 of the county in which the unit is located shall compute the base  
20 assessed value for the allocation area using the assessment date  
21 immediately preceding the later of:
- 22 (1) the date on which the documents are filed with the county  
23 auditor; or
- 24 (2) the date on which the documents are filed with the department  
25 of local government finance.
- 26 (k) For an allocation area established after June 30, 2024,  
27 "residential property" refers to the assessed value of property that is  
28 allocated to the one percent (1%) homestead land and improvement  
29 categories in the county tax and billing software system, along with the  
30 residential assessed value as defined for purposes of calculating the  
31 rate for the local income tax property tax relief credit designated for  
32 residential property under IC 6-3.6-5-6(d)(3).
- 33 SECTION 19. IC 36-7-15.1-26, AS AMENDED BY P.L.174-2022,  
34 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JANUARY 1, 2025]: Sec. 26. (a) As used in this section:
- 36 "Allocation area" means that part of a redevelopment project area  
37 to which an allocation provision of a resolution adopted under section  
38 8 of this chapter refers for purposes of distribution and allocation of  
39 property taxes.
- 40 "Base assessed value" means, subject to subsection (j), the  
41 following:
- 42 (1) If an allocation provision is adopted after June 30, 1995, in a



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



1 area added after June 30, 1995.

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

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

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



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

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

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

21 or

22 (B) the base assessed value;

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

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

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

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



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





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carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

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

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

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

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

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

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

The notice must:

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



1 taxing units in the manner prescribed in subdivision (1).  
 2 The county auditor shall allocate to the respective taxing units  
 3 the amount, if any, of excess assessed value determined by the  
 4 commission. The commission may not authorize an allocation  
 5 to the respective taxing units under this subdivision if to do so  
 6 would endanger the interests of the holders of bonds described  
 7 in subdivision (3).

8 (C) If:

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

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

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

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

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

30 (2) the base assessed value.

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

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

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



- 1 lesser of:
- 2 (1) the assessed value of the property as valued without regard to
- 3 this section; or
- 4 (2) the base assessed value.
- 5 (g) If any part of the allocation area is located in an enterprise zone
- 6 created under IC 5-28-15, the unit that designated the allocation area
- 7 shall create funds as specified in this subsection. A unit that has
- 8 obligations, bonds, or leases payable from allocated tax proceeds under
- 9 subsection (b)(3) shall establish an allocation fund for the purposes
- 10 specified in subsection (b)(3) and a special zone fund. Such a unit
- 11 shall, until the end of the enterprise zone phase out period, deposit each
- 12 year in the special zone fund the amount in the allocation fund derived
- 13 from property tax proceeds in excess of those described in subsection
- 14 (b)(1) and (b)(2) from property located in the enterprise zone that
- 15 exceeds the amount sufficient for the purposes specified in subsection
- 16 (b)(3) for the year. A unit that has no obligations, bonds, or leases
- 17 payable from allocated tax proceeds under subsection (b)(3) shall
- 18 establish a special zone fund and deposit all the property tax proceeds
- 19 in excess of those described in subsection (b)(1) and (b)(2) in the fund
- 20 derived from property tax proceeds in excess of those described in
- 21 subsection (b)(1) and (b)(2) from property located in the enterprise
- 22 zone. The unit that creates the special zone fund shall use the fund,
- 23 based on the recommendations of the urban enterprise association, for
- 24 one (1) or more of the following purposes:
- 25 (1) To pay for programs in job training, job enrichment, and basic
- 26 skill development designed to benefit residents and employers in
- 27 the enterprise zone. The programs must reserve at least one-half
- 28 (1/2) of the enrollment in any session for residents of the
- 29 enterprise zone.
- 30 (2) To make loans and grants for the purpose of stimulating
- 31 business activity in the enterprise zone or providing employment
- 32 for enterprise zone residents in the enterprise zone. These loans
- 33 and grants may be made to the following:
- 34 (A) Businesses operating in the enterprise zone.
- 35 (B) Businesses that will move their operations to the enterprise
- 36 zone if such a loan or grant is made.
- 37 (3) To provide funds to carry out other purposes specified in
- 38 subsection (b)(3). However, where reference is made in
- 39 subsection (b)(3) to the allocation area, the reference refers for
- 40 purposes of payments from the special zone fund only to that part
- 41 of the allocation area that is also located in the enterprise zone.
- 42 (h) The state board of accounts and department of local government



1 finance shall make the rules and prescribe the forms and procedures  
 2 that they consider expedient for the implementation of this chapter.  
 3 After each reassessment under a reassessment plan prepared under  
 4 IC 6-1.1-4-4.2, the department of local government finance shall adjust  
 5 the base assessed value one (1) time to neutralize any effect of the  
 6 reassessment of the real property in the area on the property tax  
 7 proceeds allocated to the redevelopment district under this section.  
 8 After each annual adjustment **for agricultural land** under  
 9 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government  
 10 finance shall adjust the base assessed value to neutralize any effect of  
 11 the annual adjustment on the property tax proceeds allocated to the  
 12 redevelopment district under this section. However, the adjustments  
 13 under this subsection may not include the effect of property tax  
 14 abatements under IC 6-1.1-12.1, and these adjustments may not  
 15 produce less property tax proceeds allocable to the redevelopment  
 16 district under subsection (b)(3) than would otherwise have been  
 17 received if the reassessment under the reassessment plan or annual  
 18 adjustment **for agricultural land** had not occurred. The department of  
 19 local government finance may prescribe procedures for county and  
 20 township officials to follow to assist the department in making the  
 21 adjustments.

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

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

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

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

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

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

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



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

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

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

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

14 SECTION 20. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,  
15 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JANUARY 1, 2025]: Sec. 53. (a) As used in this section:

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

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

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

26 (2) to the extent that it is not included in subdivision (1), the net  
27 assessed value of property that is assessed as residential property  
28 under the rules of the department of local government finance, as  
29 finally determined for the current assessment date.

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

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



1 For an allocation area established before July 1, 2008, the expiration  
 2 date may not be more than thirty (30) years after the date on which the  
 3 allocation provision is established. For an allocation area established  
 4 after June 30, 2008, the expiration date may not be more than  
 5 twenty-five (25) years after the date on which the first obligation was  
 6 incurred to pay principal and interest on bonds or lease rentals on  
 7 leases payable from tax increment revenues. However, with respect to  
 8 bonds or other obligations that were issued before July 1, 2008, if any  
 9 of the bonds or other obligations that were scheduled when issued to  
 10 mature before the specified expiration date and that are payable only  
 11 from allocated tax proceeds with respect to the allocation area remain  
 12 outstanding as of the expiration date, the allocation provision does not  
 13 expire until all of the bonds or other obligations are no longer  
 14 outstanding. The allocation provision may apply to all or part of the  
 15 redevelopment project area. The allocation provision must require that  
 16 any property taxes subsequently levied by or for the benefit of any  
 17 public body entitled to a distribution of property taxes on taxable  
 18 property in the 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) The excess of the proceeds of the property taxes imposed for  
 28 the assessment date with respect to which the allocation and  
 29 distribution is made that are attributable to taxes imposed after  
 30 being approved by the voters in a referendum or local public  
 31 question conducted after April 30, 2010, not otherwise included  
 32 in subdivision (1) shall be allocated to and, when collected, paid  
 33 into the funds of the taxing unit for which the referendum or local  
 34 public question was conducted.

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

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



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



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

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

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

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

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

26 The county auditor shall allocate to the respective taxing units  
27 the amount, if any, of excess assessed value determined by the  
28 commission. The commission may not authorize an allocation  
29 to the respective taxing units under this subdivision if to do so  
30 would endanger the interests of the holders of bonds described  
31 in subdivision (3).

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

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

38 (2) the base assessed value.

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





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

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

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

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

- 33 (1) To pay for programs in job training, job enrichment, and basic  
 34 skill development designed to benefit residents and employers in  
 35 the enterprise zone. The programs must reserve at least one-half  
 36 (1/2) of the enrollment in any session for residents of the  
 37 enterprise zone.  
 38 (2) To make loans and grants for the purpose of stimulating  
 39 business activity in the enterprise zone or providing employment  
 40 for enterprise zone residents in an enterprise zone. These loans  
 41 and grants may be made to the following:  
 42 (A) Businesses operating in the enterprise zone.



- 1 (B) Businesses that will move their operations to the enterprise  
2 zone if such a loan or grant is made.
- 3 (3) To provide funds to carry out other purposes specified in  
4 subsection (b)(3). However, where reference is made in  
5 subsection (b)(3) to the allocation area, the reference refers, for  
6 purposes of payments from the special zone fund, only to that part  
7 of the allocation area that is also located in the enterprise zone.
- 8 (h) The state board of accounts and department of local government  
9 finance shall make the rules and prescribe the forms and procedures  
10 that they consider expedient for the implementation of this chapter.  
11 After each reassessment of real property in an area under a county's  
12 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
13 local government finance shall adjust the base assessed value one (1)  
14 time to neutralize any effect of the reassessment of the real property in  
15 the area on the property tax proceeds allocated to the redevelopment  
16 district under this section. After each annual adjustment **for**  
17 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
18 department of local government finance shall adjust the base assessed  
19 value to neutralize any effect of the annual adjustment on the property  
20 tax proceeds allocated to the redevelopment district under this section.  
21 However, the adjustments under this subsection may not include the  
22 effect of property tax abatements under IC 6-1.1-12.1, and these  
23 adjustments may not produce less property tax proceeds allocable to  
24 the redevelopment district under subsection (b)(3) than would  
25 otherwise have been received if the reassessment under the county's  
26 reassessment plan or annual adjustment **for agricultural land** had not  
27 occurred. The department of local government finance may prescribe  
28 procedures for county and township officials to follow to assist the  
29 department in making the adjustments.
- 30 (i) The allocation deadline referred to in subsection (b) is  
31 determined in the following manner:
- 32 (1) The initial allocation deadline is December 31, 2011.
- 33 (2) Subject to subdivision (3), the initial allocation deadline and  
34 subsequent allocation deadlines are automatically extended in  
35 increments of five (5) years, so that allocation deadlines  
36 subsequent to the initial allocation deadline fall on December 31,  
37 2016, and December 31 of each fifth year thereafter.
- 38 (3) At least one (1) year before the date of an allocation deadline  
39 determined under subdivision (2), the general assembly may enact  
40 a law that:
- 41 (A) terminates the automatic extension of allocation deadlines  
42 under subdivision (2); and



- 1 (B) specifically designates a particular date as the final  
2 allocation deadline.
- 3 (j) If the commission adopts a declaratory resolution or an  
4 amendment to a declaratory resolution that contains an allocation  
5 provision and the commission makes either of the filings required  
6 under section 10(e) of this chapter after the first anniversary of the  
7 effective date of the allocation provision, the auditor of the county in  
8 which the unit is located shall compute the base assessed value for the  
9 allocation area using the assessment date immediately preceding the  
10 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 (k) 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).
- 22 SECTION 21. IC 36-7-30-25, AS AMENDED BY P.L.174-2022,  
23 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JANUARY 1, 2025]: Sec. 25. (a) The following definitions apply  
25 throughout this section:
- 26 (1) "Allocation area" means that part of a military base reuse area  
27 to which an allocation provision of a declaratory resolution  
28 adopted under section 10 of this chapter refers for purposes of  
29 distribution and allocation of property taxes.
- 30 (2) "Base assessed value" means, subject to subsection (i):
- 31 (A) the net assessed value of all the property as finally  
32 determined for the assessment date immediately preceding the  
33 adoption date of the allocation provision of the declaratory  
34 resolution, as adjusted under subsection (h); plus
- 35 (B) to the extent that it is not included in clause (A) or (C), the  
36 net assessed value of any and all parcels or classes of parcels  
37 identified as part of the base assessed value in the declaratory  
38 resolution or an amendment thereto, as finally determined for  
39 any subsequent assessment date; plus
- 40 (C) to the extent that it is not included in clause (A) or (B), the  
41 net assessed value of property that is assessed as residential  
42 property under the rules of the department of local government



1 finance, within the allocation area, as finally determined for  
2 the current assessment date.

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

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

9 (b) A declaratory resolution adopted under section 10 of this chapter  
10 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
11 resolutions adopted under IC 36-7-14-15 may include a provision with  
12 respect to the allocation and distribution of property taxes for the  
13 purposes and in the manner provided in this section. A declaratory  
14 resolution previously adopted may include an allocation provision by  
15 the amendment of that declaratory resolution in accordance with the  
16 procedures set forth in section 13 of this chapter. The allocation  
17 provision may apply to all or part of the military base reuse area. The  
18 allocation provision must require that any property taxes subsequently  
19 levied by or for the benefit of any public body entitled to a distribution  
20 of property taxes on taxable property in the allocation area be allocated  
21 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 are 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 military base reuse district and, when  
41 collected, paid into an allocation fund for that allocation area that  
42 may be used by the military base reuse district and only to do one



- 1 (1) or more of the following:
- 2 (A) Pay the principal of and interest and redemption premium
- 3 on any obligations incurred by the military base reuse district
- 4 or any other entity for the purpose of financing or refinancing
- 5 military base reuse activities in or directly serving or
- 6 benefiting that allocation area.
- 7 (B) Establish, augment, or restore the debt service reserve for
- 8 bonds payable solely or in part from allocated tax proceeds in
- 9 that allocation area or from other revenues of the reuse
- 10 authority, including lease rental revenues.
- 11 (C) Make payments on leases payable solely or in part from
- 12 allocated tax proceeds in that allocation area.
- 13 (D) Reimburse any other governmental body for expenditures
- 14 made for local public improvements (or structures) in or
- 15 directly serving or benefiting that allocation area.
- 16 (E) Pay expenses incurred by the reuse authority, any other
- 17 department of the unit, or a department of another
- 18 governmental entity for local public improvements or
- 19 structures that are in the allocation area or directly serving or
- 20 benefiting the allocation area, including expenses for the
- 21 operation and maintenance of these local public improvements
- 22 or structures if the reuse authority determines those operation
- 23 and maintenance expenses are necessary or desirable to carry
- 24 out the purposes of this chapter.
- 25 (F) Reimburse public and private entities for expenses
- 26 incurred in training employees of industrial facilities that are
- 27 located:
- 28 (i) in the allocation area; and
- 29 (ii) on a parcel of real property that has been classified as
- 30 industrial property under the rules of the department of local
- 31 government finance.
- 32 However, the total amount of money spent for this purpose in
- 33 any year may not exceed the total amount of money in the
- 34 allocation fund that is attributable to property taxes paid by the
- 35 industrial facilities described in this clause. The
- 36 reimbursements under this clause must be made not more than
- 37 three (3) years after the date on which the investments that are
- 38 the basis for the increment financing are made.
- 39 (G) Expend money and provide financial assistance as
- 40 authorized in section 9(a)(25) of this chapter.
- 41 Except as provided in clause (E), the allocation fund may not be
- 42 used for operating expenses of the reuse authority.



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

3 (A) Determine the amount, if any, by which property taxes  
4 payable to the allocation fund in the following year will exceed  
5 the amount of property taxes necessary to make, when due,  
6 principal and interest payments on bonds described in  
7 subdivision (3) plus the amount necessary for other purposes  
8 described in subdivision (3).

9 (B) Provide a written notice to the county auditor, the fiscal  
10 body of the unit that established the reuse authority, and the  
11 officers who are authorized to fix budgets, tax rates, and tax  
12 levies under IC 6-1.1-17-5 for each of the other taxing units  
13 that is wholly or partly located within the allocation area. The  
14 notice must:

- 15 (i) state the amount, if any, of excess property taxes that the  
16 reuse authority has determined may be paid to the respective  
17 taxing units in the manner prescribed in subdivision (1); or  
18 (ii) state that the reuse authority has determined that there  
19 are no excess property tax proceeds that may be allocated to  
20 the respective taxing units in the manner prescribed in  
21 subdivision (1).

22 The county auditor shall allocate to the respective taxing units  
23 the amount, if any, of excess property tax proceeds determined  
24 by the reuse authority. The reuse authority may not authorize  
25 a payment to the respective taxing units under this subdivision  
26 if to do so would endanger the interest of the holders of bonds  
27 described in subdivision (3) or lessors under section 19 of this  
28 chapter.

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

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

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

40 (e) Notwithstanding any other law, each assessor shall, upon  
41 petition of the reuse authority, reassess the taxable property situated  
42 upon or in or added to the allocation area, effective on the next



1 assessment date after the petition.

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

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

9 (2) the base assessed value.

10 (g) If any part of the allocation area is located in an enterprise zone  
11 created under IC 5-28-15, the unit that designated the allocation area  
12 shall create funds as specified in this subsection. A unit that has  
13 obligations, bonds, or leases payable from allocated tax proceeds under  
14 subsection (b)(3) shall establish an allocation fund for the purposes  
15 specified in subsection (b)(3) and a special zone fund. Such a unit  
16 shall, until the end of the enterprise zone phase out period, deposit each  
17 year in the special zone fund any amount in the allocation fund derived  
18 from property tax proceeds in excess of those described in subsection  
19 (b)(1) and (b)(2) from property located in the enterprise zone that  
20 exceeds the amount sufficient for the purposes specified in subsection  
21 (b)(3) for the year. The amount sufficient for purposes specified in  
22 subsection (b)(3) for the year shall be determined based on the pro rata  
23 part of such current property tax proceeds from the part of the  
24 enterprise zone that is within the allocation area as compared to all  
25 such current property tax proceeds derived from the allocation area. A  
26 unit that does not have obligations, bonds, or leases payable from  
27 allocated tax proceeds under subsection (b)(3) shall establish a special  
28 zone fund and deposit all the property tax proceeds in excess of those  
29 described in subsection (b)(1) and (b)(2) that are derived from property  
30 in the enterprise zone in the fund. The unit that creates the special zone  
31 fund shall use the fund (based on the recommendations of the urban  
32 enterprise association) for programs in job training, job enrichment,  
33 and basic skill development that are designed to benefit residents and  
34 employers in the enterprise zone or other purposes specified in  
35 subsection (b)(3), except that where reference is made in subsection  
36 (b)(3) to allocation area it shall refer for purposes of payments from the  
37 special zone fund only to that part of the allocation area that is also  
38 located in the enterprise zone. The programs shall reserve at least  
39 one-half (1/2) of their enrollment in any session for residents of the  
40 enterprise zone.

41 (h) After each reassessment of real property in an area under the  
42 county's reassessment plan under IC 6-1.1-4-4.2, the department of



1 local government finance shall adjust the base assessed value one (1)  
 2 time to neutralize any effect of the reassessment of the real property in  
 3 the area on the property tax proceeds allocated to the military base  
 4 reuse district under this section. After each annual adjustment **for**  
 5 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
 6 department of local government finance shall adjust the base assessed  
 7 value to neutralize any effect of the annual adjustment on the property  
 8 tax proceeds allocated to the military base reuse district under this  
 9 section. However, the adjustments under this subsection may not  
 10 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 11 these adjustments may not produce less property tax proceeds allocable  
 12 to the military base reuse district under subsection (b)(3) than would  
 13 otherwise have been received if the reassessment under the county's  
 14 reassessment plan or annual adjustment **for agricultural land** had not  
 15 occurred. The department of local government finance may prescribe  
 16 procedures for county and township officials to follow to assist the  
 17 department in making the adjustments.

18 (i) If the reuse authority adopts a declaratory resolution or an  
 19 amendment to a declaratory resolution that contains an allocation  
 20 provision and the reuse authority makes either of the filings required  
 21 under section 12(c) or 13(f) of this chapter after the first anniversary of  
 22 the effective date of the allocation provision, the auditor of the county  
 23 in which the military base reuse district is located shall compute the  
 24 base assessed value for the allocation area using the assessment date  
 25 immediately preceding the later of:

- 26 (1) the date on which the documents are filed with the county
- 27 auditor; or
- 28 (2) the date on which the documents are filed with the department
- 29 of local government finance.

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

37 SECTION 22. IC 36-7-30.5-30, AS AMENDED BY P.L.174-2022,  
 38 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JANUARY 1, 2025]: Sec. 30. (a) The following definitions apply  
 40 throughout this section:

- 41 (1) "Allocation area" means that part of a military base
- 42 development area to which an allocation provision of a





1 declaratory resolution adopted under section 16 of this chapter  
2 refers for purposes of distribution and allocation of property taxes.

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

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

8 (B) to the extent that it is not included in clause (A) or (C), the  
9 net assessed value of any and all parcels or classes of parcels  
10 identified as part of the base assessed value in the declaratory  
11 resolution or an amendment to the declaratory resolution, as  
12 finally determined for any subsequent assessment date; plus  
13 (C) to the extent that it is not included in clause (A) or (B), the  
14 net assessed value of property that is assessed as residential  
15 property under the rules of the department of local government  
16 finance, within the allocation area, as finally determined for  
17 the current assessment date.

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

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

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

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

38 (B) the base assessed value;

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

41 (2) The excess of the proceeds of the property taxes imposed for  
42 the assessment date with respect to which the allocation and



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

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

13 (A) Pay the principal of and interest and redemption premium  
 14 on any obligations incurred by the development authority or  
 15 any other entity for the purpose of financing or refinancing  
 16 military base development or reuse activities in or directly  
 17 serving or benefiting that allocation area.

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

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

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

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

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

39 STEP TWO: Divide:

40 (i) that part of each county's eligible property tax  
 41 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 42 repeal)) for that year as determined under IC 6-1.1-21-4



- 1 (before its repeal) that is attributable to the taxing district;  
 2 by  
 3 (ii) the STEP ONE sum.  
 4 STEP THREE: Multiply:  
 5 (i) the STEP TWO quotient; by  
 6 (ii) the total amount of the taxpayer's taxes (as defined in  
 7 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 8 that have been allocated during that year to an allocation  
 9 fund under this section.  
 10 If not all the taxpayers in an allocation area receive the credit  
 11 in full, each taxpayer in the allocation area is entitled to  
 12 receive the same proportion of the credit. A taxpayer may not  
 13 receive a credit under this section and a credit under section  
 14 32 of this chapter (before its repeal) in the same year.  
 15 (F) Pay expenses incurred by the development authority for  
 16 local public improvements or structures that were in the  
 17 allocation area or directly serving or benefiting the allocation  
 18 area.  
 19 (G) Reimburse public and private entities for expenses  
 20 incurred in training employees of industrial facilities that are  
 21 located:  
 22 (i) in the allocation area; and  
 23 (ii) on a parcel of real property that has been classified as  
 24 industrial property under the rules of the department of local  
 25 government finance.  
 26 However, the total amount of money spent for this purpose in  
 27 any year may not exceed the total amount of money in the  
 28 allocation fund that is attributable to property taxes paid by the  
 29 industrial facilities described in this clause. The  
 30 reimbursements under this clause must be made not more than  
 31 three (3) years after the date on which the investments that are  
 32 the basis for the increment financing are made.  
 33 (H) Expend money and provide financial assistance as  
 34 authorized in section 15(26) of this chapter.  
 35 The allocation fund may not be used for operating expenses of the  
 36 development authority.  
 37 (4) Except as provided in subsection (g), before July 15 of each  
 38 year the development authority shall do the following:  
 39 (A) Determine the amount, if any, by which property taxes  
 40 payable to the allocation fund in the following year will exceed  
 41 the amount of property taxes necessary to make, when due,  
 42 principal and interest payments on bonds described in



1 subdivision (3) plus the amount necessary for other purposes  
2 described in subdivisions (2) and (3).

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

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

12 (ii) state that the development authority has determined that  
13 there is no excess assessed value that may be allocated to the  
14 respective taxing units in the manner prescribed in  
15 subdivision (1).

16 The county auditors shall allocate to the respective taxing units  
17 the amount, if any, of excess assessed value determined by the  
18 development authority. The development authority may not  
19 authorize a payment to the respective taxing units under this  
20 subdivision if to do so would endanger the interest of the  
21 holders of bonds described in subdivision (3) or lessors under  
22 section 24 of this chapter. Property taxes received by a taxing  
23 unit under this subdivision before 2009 are eligible for the  
24 property tax replacement credit provided under IC 6-1.1-21  
25 (before its repeal).

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

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

32 (2) the base assessed value.

33 (d) Property tax proceeds allocable to the military base development  
34 district under subsection (b)(3) may, subject to subsection (b)(4), be  
35 irrevocably pledged by the military base development district for  
36 payment as set forth in subsection (b)(3).

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

41 (f) Notwithstanding any other law, the assessed value of all taxable  
42 property in the allocation area, for purposes of tax limitation, property



1 tax replacement, and the making of the budget, tax rate, and tax levy  
2 for each political subdivision in which the property is located is the  
3 lesser of:

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

7 (g) If any part of the allocation area is located in an enterprise zone  
8 created under IC 5-28-15, the development authority shall create funds  
9 as specified in this subsection. A development authority that has  
10 obligations, bonds, or leases payable from allocated tax proceeds under  
11 subsection (b)(3) shall establish an allocation fund for the purposes  
12 specified in subsection (b)(3) and a special zone fund. The  
13 development authority shall, until the end of the enterprise zone phase  
14 out period, deposit each year in the special zone fund any amount in the  
15 allocation fund derived from property tax proceeds in excess of those  
16 described in subsection (b)(1) and (b)(2) from property located in the  
17 enterprise zone that exceeds the amount sufficient for the purposes  
18 specified in subsection (b)(3) for the year. The amount sufficient for  
19 purposes specified in subsection (b)(3) for the year shall be determined  
20 based on the pro rata part of such current property tax proceeds from  
21 the part of the enterprise zone that is within the allocation area as  
22 compared to all such current property tax proceeds derived from the  
23 allocation area. A development authority that does not have  
24 obligations, bonds, or leases payable from allocated tax proceeds under  
25 subsection (b)(3) shall establish a special zone fund and deposit all the  
26 property tax proceeds in excess of those described in subsection (b)(1)  
27 and (b)(2) that are derived from property in the enterprise zone in the  
28 fund. The development authority that creates the special zone fund  
29 shall use the fund (based on the recommendations of the urban  
30 enterprise association) for programs in job training, job enrichment,  
31 and basic skill development that are designed to benefit residents and  
32 employers in the enterprise zone or for other purposes specified in  
33 subsection (b)(3), except that where reference is made in subsection  
34 (b)(3) to an allocation area it shall refer for purposes of payments from  
35 the special zone fund only to that part of the allocation area that is also  
36 located in the enterprise zone. The programs shall reserve at least  
37 one-half (1/2) of their enrollment in any session for residents of the  
38 enterprise zone.

39 (h) After each reassessment of real property in an area under a  
40 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
41 local government finance shall adjust the base assessed value one (1)  
42 time to neutralize any effect of the reassessment of the real property in



1 the area on the property tax proceeds allocated to the military base  
 2 development district under this section. After each annual adjustment  
 3 **for agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
 4 department of local government finance shall 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 development district under  
 7 this 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 development district under subsection (b)(3) than  
 11 would otherwise have been received if the reassessment under the  
 12 county's reassessment plan or annual adjustment **for agricultural land**  
 13 had not occurred. The department of local government finance may  
 14 prescribe procedures for county and township officials to follow to  
 15 assist the department in making the adjustments.

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

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

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

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

35 SECTION 23. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,  
 36 SECTION 349, IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JANUARY 1, 2025]: Sec. 19. (a) The state board of  
 38 accounts and department of local government finance shall make the  
 39 rules and prescribe the forms and procedures that the state board of  
 40 accounts and department of local government finance consider  
 41 appropriate for the implementation of an allocation area under this  
 42 chapter.



1 (b) After each reassessment of real property in an area under a  
 2 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
 3 local government finance shall adjust the base assessed value one (1)  
 4 time to neutralize any effect of the reassessment of the real property in  
 5 the area on the property tax proceeds allocated to the certified  
 6 technology park fund under section 17 of this chapter. After each  
 7 annual adjustment **for agricultural land** under ~~IC 6-1.1-4-4.5;~~  
 8 **IC 6-1.1-4-13.2**, the department of local government finance shall  
 9 adjust the base assessed value to neutralize any effect of the annual  
 10 adjustment on the property tax proceeds allocated to the certified  
 11 technology park fund under section 17 of this chapter.

12 SECTION 24. IC 36-7-32.5-16, AS ADDED BY P.L.135-2022,  
 13 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2025]: Sec. 16. (a) The state board of accounts, the  
 15 department of state revenue, and the department of local government  
 16 finance may adopt rules under IC 4-22-2 and prescribe the forms and  
 17 procedures that the state board of accounts, the department of state  
 18 revenue, and the department of local government finance consider  
 19 appropriate for the implementation of an innovation development  
 20 district under this chapter. However, before adopting rules under this  
 21 section, the state board of accounts, the department of state revenue,  
 22 and the department of local government finance shall submit a report  
 23 to the budget committee that:

24 (1) describes the rules proposed by the state board of accounts,  
 25 the department of state revenue, and the department of local  
 26 government finance; and

27 (2) recommends statutory changes necessary to implement the  
 28 provisions of this chapter.

29 (b) After each reassessment of real property in an area under a  
 30 county's reassessment plan prepared under IC 6-1.1-4-4.2, the  
 31 department of local government finance shall adjust the base assessed  
 32 value one (1) time to neutralize any effect of the reassessment of the  
 33 real property in the area on the property tax proceeds allocated to the  
 34 local innovation development district fund established by section 19 of  
 35 this chapter.

36 (c) After each annual adjustment **for agricultural land** under  
 37 ~~IC 6-1.1-4-4.5;~~ **IC 6-1.1-4-13.2**, the department of local government  
 38 finance shall adjust the base assessed value to neutralize any effect of  
 39 the annual adjustment on the property tax proceeds allocated to the  
 40 local innovation development district fund established by section 19 of  
 41 this chapter.

