April 7, 2025

ENGROSSED
SENATE BILL No. 1

DIGEST OF SB 1 (Updated April 7, 2025 1:24 pm - DI 125)

Citations Affected: IC 3-10; IC 5-1; IC 5-16; IC 6-1.1; IC 6-3; IC 6-3.5; IC 6-3.6; IC 6-6; IC 6-8.1; IC 6-9; IC 8-5; IC 8-9.5; IC 8-18; IC 8-22; IC 12-20; IC 14-33; IC 20-23; IC 20-24; IC 20-25.7; IC 20-26; IC 20-40; IC 20-46; IC 36-1; IC 36-7; IC 36-7.5; IC 36-8; noncode.

Synopsis: Local government finance. Places restrictions on the issuance of certain general obligation bonds. Amends a capitalization rate percentage under the statewide agricultural land base rate determination. Provides that the percentage cap used to determine the maximum levy growth quotient is 4% in 2026. Provides that, notwithstanding any growth in a political subdivision's assessed value (AV) in the previous year, a political subdivision's ad valorem property

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Effective: Upon passage; January 1, 2025 (retroactive); May 10, 2025 (retroactive); July 1, 2025; January 1, 2026; July 1, 2026; January 1, 2027; June 30, 2027; July 1, 2027; January 1, 2028.

Holdman, Garten, Baldwin, Gaskill, Rogers, Buchanan, Johnson T

(HOUSE SPONSORS — THOMPSON, CLERE, SNOW, JORDAN)

January 14, 2025, read first time and referred to Committee on Tax and Fiscal Policy.
February 11, 2025, amended, reported favorably — Do Pass.
February 13, 2025, read second time, ordered engrossed. Engrossed.
February 17, 2025, read third time, passed. Yeas 37, nays 10.

HOUSE ACTION

March 3, 2025, read first time and referred to Committee on Ways and Means.
April 7, 2025, amended, reported — Do Pass.

tax levy shall not exceed the ad valorem property tax levy for its last preceding annual budget, unless the fiscal body of the political subdivision adopts an affirmative tax rate and tax levy increase by ordinance following a separate public hearing. Requires a resulting decrease in tax rates for each political subdivision in which there was an increase in the political subdivision's AV in the previous year, subject to any affirmative tax rate and tax levy increase adopted by the fiscal body of the political subdivision. Phases out the authority for the department of local government finance (department) to permit an excess tax levy that is based on AV growth, school transportation costs, and other circumstances. Retains the provisions that permit an excess tax levy if the civil taxing unit cannot carry out its governmental functions in the case of annexation, a natural disaster, an accident, or an emergency. Phases in a total exemption for business personal property that is placed in service after January 1, 2025. Phases in an increase in the acquisition cost threshold for the business personal property tax exemption from $80,000 to $150,000. Provides that the 30% minimum valuation limitation does not apply to business personal property placed in service after January 1, 2025. Phases down the homestead standard deduction over five years to zero beginning for taxes due and payable in 2031. Phases in an increase in the supplemental homestead deduction to 2/3 of the AV of the homestead. Phases in an AV deduction for all property that is subject to the 2% circuit breaker credit for excessive property taxes for assessment dates beginning in 2025 up to a 1/3 AV deduction for taxes due and payable in 2031, and each taxable year thereafter. Expires certain property tax deductions allowed in current law, and instead allows a credit against local property taxes in certain instances. Makes certain changes to the qualification requirements and credit amount for the over 65 circuit breaker credit. Provides a supplemental homestead tax credit for property taxes for a person's homestead if the person qualifies for a standard homestead deduction for the same homestead property. Provides that specified referendums may be placed on the ballot only at a general election. Amends the ballot language for controlled project, school operating, and school public safety referendums. Provides that a school corporation may not adopt a resolution to place a controlled project referendum on the ballot during the second calendar year after the final calendar year in which a previously approved controlled project referendum levy is imposed. Modifies the threshold amounts used for determining whether a political subdivision's project is a controlled project and whether the petition and remonstrance process or the referendum process applies based on the political subdivision's total debt service tax rate. Adds provisions to authorize a county fiscal body to adopt an ordinance to establish a property tax payment deferral program (program). Provides that a qualified individual participating in the program may defer the payment of part of the property taxes that would otherwise be due on a homestead. Provides that property taxes deferred under the program are due after the occurrence of a deferral termination event. Provides that the maximum amount of taxes that may be deferred cumulatively year over year may not exceed $10,000. Increases, beginning in 2028, the maximum local income tax (LIT) expenditure rate for all counties to 2.9%. Authorizes a city or town to impose a municipal LIT rate beginning in 2028 not to exceed 1.2%. Provides that within a county's total expenditure rate, the county may adopt: (1) up to a 1.2% rate for county general purpose revenue; (2) up to a 0.4% rate for fire protection and emergency medical services; (3) up to a 0.2% rate for nonmunicipal civil taxing unit general purpose revenue; and (4) up to 1.2% for certain cities and towns that are not eligible to adopt a municipal LIT rate. Eliminates provisions that provide for a distribution of LIT expenditure rate revenue to schools and civil taxing units in counties that imposed a rate under the prior county adjusted gross income tax. Authorizes a county fiscal body to

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impose a local income tax expenditure rate to provide property tax relief for property tax liability attributable to homesteads in the county before January 1, 2028. Expires the authority to impose a property tax relief rate under the LIT and repeals the levy freeze rate. Provides that, in order to continue to impose an expenditure tax rate after 2027, each county must adopt a new ordinance on or before October 1, 2027, to impose the rate. Provides that, for counties that fail to adopt an ordinance to renew an existing expenditure tax rate in 2027, the expenditure tax rate for the county in 2028 shall be the minimum tax rate necessary for existing debt service. Specifies that this does not prevent the county from renewing, imposing, or modifying an expenditure tax rate in subsequent years. Eliminates local income tax councils beginning July 1, 2027, and instead provides that the county fiscal body is the adopting body in all counties for purposes of the county LIT, and the city or town fiscal body is the adopting body in the case of a municipal LIT. Establishes the state and local income tax holding account within the state general fund for purposes of LIT distributions. Requires the budget agency to maintain an accounting for each county imposing a county LIT based on annual returns filed by or for county taxpayers (same as current law). Requires undistributed amounts so accounted to be held for purposes of the state and local income tax holding account beginning after December 31, 2026. (Under current law, undistributed amounts are required to be held in reserve separate from the state general fund.) Requires the budget agency to present each December to the budget committee a report of the following: (1) An estimate of the monthly certified distribution amounts for the immediately succeeding calendar year. (2) A description of the method used to determine the monthly estimates. Beginning in 2028, requires the budget agency to make monthly transfers to the state and local income tax holding account of the amount determined for the month in the budget agency's report to the budget committee. Repeals a provision that requires the budget agency to adjust the certified distribution of a county for the succeeding year following a tax rate change. Requires the department to develop and maintain a property tax transparency portal through which taxpayers may: (1) compare the property tax liability in their current tax statement compared to their potential property tax liability based on changes under a proposed tax rate; and (2) provide taxpayer feedback to the department. Prohibits the northern Indiana commuter transportation district from issuing new bonds after May 9, 2025, that are payable in whole or in part from amounts distributed from the commuter rail service fund or the electric rail service fund. Requires all school corporations that adopt a resolution for an operating referendum tax levy that is imposed for the first time with property taxes first due and payable beginning after 2027 to share revenue with certain charter schools. Requires, beginning with distributions in 2028, that all school corporations begin sharing revenue from the school corporation's operations fund levy with certain charter schools. Provides for the phasing in of the sharing of revenue with certain charter schools from the school corporation's operations fund levy. Provides for the appointment of additional board members to the governing board of a charter school that receives property tax revenue. Sets forth additional procedures related to the closure of a charter school. Makes conforming changes. Dissolves the Union School Corporation. Provides that for a fire protection territory established after January 1, 2025, each unit in a territory may not impose a tax rate that exceeds $0.40 per $100 of assessed valuation. Makes technical corrections. Makes an appropriation.

April 7, 2025

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

ENGROSSED
SENATE BILL No. 1

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

SECTION 1. IC 3-10-9-3, AS AMENDED BY P.L.225-2011, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. **(a) Except as provided in subsection (b),** if a local public question must be certified to an election board by law, that certification must occur no later than noon:

(1) seventy-four (74) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or

(2) August 1 if the public question is to be placed on the general or municipal election ballot.

(b) A referendum or local public question:

(1) under IC 20-46-1;

(2) under IC 20-46-9; or

(3) under IC 6-1.1-20 for controlled projects;

may be placed on the ballot only at a general election. Certification of a local public question under this subsection must occur not later than noon August 1.

SECTION 2. IC 5-1-14-14, AS AMENDED BY P.L.197-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 14. (a) Notwithstanding any other law, a municipality may sell the municipality's interest in any notes payable to the municipality at a negotiated sale.

(b) A county or municipality may establish a revolving fund from grants, the revenue received by the county or municipality under IC 6-3.6-9 and allocated for economic development purposes, ~~under IC 6-3.6-6-9,~~ the proceeds of the sale of notes, or the proceeds of bonds issued under this section and IC 36-9-32. The county or municipality may loan the money in the revolving fund to any borrower if the county or municipal fiscal body finds that the loan will be used by the borrower for one (1) or more of the following economic development purposes:

(1) Promoting significant opportunities for the gainful employment of the county's or municipality's residents.

(2) Attracting a major new business enterprise to the county or municipality.

(3) Retaining or expanding a significant business enterprise in the county or municipality.

(c) Activities that may be undertaken by the borrower in carrying out an economic development purpose include expenditures for any of the following:

(1) Acquisition of land.

(2) Acquisition of property interests.

(3) Site improvements.

(4) Infrastructure improvements.

(5) Buildings.

(6) Structures.

(7) Rehabilitation, renovation, or enlargement of buildings or structures.

(8) Machinery.

(9) Equipment.

(10) Furnishings.

(d) Local governmental entities may borrow under subsection (b) if the local governmental entity's jurisdiction includes the geographic area within the boundaries of the county or municipality that established the revolving fund. Notwithstanding any other law, the following provisions apply to the borrowing:

(1) The county or municipality that established the revolving fund and the local governmental entity borrower may each authorize the loan from the revolving fund and the issuance of notes

evidencing the loan by resolution. In each case, the resolution shall be adopted by the body with control over fiscal matters.

(2) A resolution adopted under subdivision (1) must approve:

(A) the term of the loan;

(B) the interest rate;

(C) the form of the note or notes;

(D) the medium of payment;

(E) the place and manner of payment;

(F) the manner of execution of the note or notes;

(G) the terms of redemption;

(H) the funds or sources of funds from which the note or notes are payable, which may be any funds and sources of funds available to the borrower; and

(I) any other provisions not inconsistent with this section.

(3) The notes and the authorization, issuance, sale, and delivery of the notes are not subject to any general statute concerning obligations issued by the local governmental entity borrower. This section contains full and complete authority for the making of the loan, the authorization, issuance, sale, and delivery of the notes, and the repayment of the loan by the borrower, and no law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by any officer, department, agency, or instrument of the state or of any political subdivision is required to make the loan, issue the notes, or repay the loan except as prescribed in this section.

(4) The notes issued by a local governmental entity borrower are exempt from taxation for all purposes and are exempt from any security registration requirements provided for in Indiana statutes.

(5) Notes issued by a local governmental entity borrower under this section are obligations for all purposes of this chapter.

(e) A municipality may issue bonds under IC 36-9-32-7(b) through IC 36-9-32-7(j) for the economic development purposes listed in subsection (c) and may repay the indebtedness solely from revenues derived from the repayment of any notes, including notes evidencing loans made under subsection (b).

(f) To the extent a revolving fund under subsection (b) is funded from:

(1) revenues received by the county under IC 6-3.6-9 and allocated for economic development purposes; ~~under IC 6-3.6-6-9;~~ or

(2) repayments of principal and interest on loans from the revolving fund that were funded with revenues described in

subdivision (1);

money in the revolving fund may at any time be transferred in whole or in part to the unit's economic development income tax fund, as determined by ordinance of the unit's fiscal body.

(g) The general assembly finds that counties and municipalities in Indiana have a need to foster economic development and industrial and commercial growth. The general assembly finds that it is necessary and proper to provide an alternative method for municipalities to foster the following:

(1) Economic development.

(2) Industrial and commercial growth.

(3) Employment opportunities.

(4) Diversification of industry and commerce.

It is declared that the fostering of economic development under this section for the benefit of the general public, including industrial and commercial enterprises, is a public purpose.

SECTION 3. IC 5-1-14-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 17. (a) This section applies to a qualified political subdivision.**

(b) As used this section, "general obligation bond" means a bond issued for a short term period of not more than five (5) years and payable from property taxes for a purpose or project that is not a controlled project (as defined in IC 6-1.1-20-1.1) for which the bond is not required to be issued using the procedures in IC 6-1.1-20.

(c) As used in this section, "qualified political subdivision" means a county, city, town, township, or school corporation.

(d) Notwithstanding any other law, and except as provided in subsection (e), if a qualified political subdivision issues new general obligation bonds, or has issued general obligation bonds before May 1, 2025, for a period of two (2) years of less, then at the expiration of those general obligation bonds, the qualified political subdivision must wait one (1) year from that date before the qualified political subdivision may issue general obligation bonds.

(e) Subsection (d) shall not apply to a qualified political subdivision in the case of a natural disaster, an accident, or another unanticipated emergency as determined by the department of local government finance.

SECTION 4. IC 5-16-9-3, AS AMENDED BY P.L.197-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. (a) If a public agency has no parking facility

under its jurisdiction or control available to private persons who desire to conduct business with the public agency, the public agency shall direct the local authority having jurisdiction over the portion of the streets which are adjacent to the facilities of the public agency to reserve parking spaces for the use of persons with physical disabilities.

(b) If a retail shopping mall is constructed in whole or in part with revenue derived from a local income tax imposed under IC 6-3.6-6 and allocated for economic development purposes, ~~under IC 6-3.6-6-9,~~ the local authority having jurisdiction over the portion of the streets adjacent to the retail shopping mall shall reserve parking spaces for the use of persons with physical disabilities.

SECTION 5. IC 6-1.1-2-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 11. (a) As used in this section, "tax increment financing allocation area" means any area authorized by statute in which ad valorem property taxes are allocated, including the following:**

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

(2) IC 8-22-3.5 (airport development zones).

(3) IC 36-7-14 (redevelopment of areas needing redevelopment generally).

(4) IC 36-7-15.1 (redevelopment of areas in Marion County).

(5) IC 36-7-30 (reuse of federal military bases).

(6) IC 36-7-30.5 (development of multicounty federal military bases).

(7) IC 36-7-32 (certified technology parks).

(8) IC 36-7-32.5 (innovation development districts).

(9) IC 36-7.5-4.5 (rail transit development districts).

(b) The department shall, in each year beginning after December 31, 2025, and ending before January 1, 2034, adjust the base assessed value of each tax increment financing allocation area to neutralize the effect of the changing tax rates resulting year to year from the business personal property tax exemption under IC 6-1.1-10.4, the homestead deduction under IC 6-1.1-12-37(c)(2) and IC 6-1.1-12-37.5(c), and the deduction for eligible property under IC 6-1.1-12-47. It is the intent of the general assembly that an increase in revenue from a change in tax rates resulting from these statutes accrue only to the base assessed value and not to the tax increment financing allocation area. However, in the case of a decrease in revenue from a change in tax rates resulting from these statutes, the department may neutralize the change under this subsection in a positive manner with regard to the tax increment

financing allocation area to protect the ability to pay bonds based on incremental revenue, if the tax increment financing allocation area demonstrates to the department that an adjustment is needed before the department calculates a positive neutralization adjustment.

SECTION 6. IC 6-1.1-3-7.2, AS AMENDED BY P.L.137-2022, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7.2. (a) This section applies to assessment dates occurring after December 31, 2015.

(b) As used in this section, "affiliate" means an entity that effectively controls or is controlled by a taxpayer or is associated with a taxpayer under common ownership or control, whether by shareholdings or other means.

(c) As used in this section, "business personal property" means personal property that:

(1) is otherwise subject to assessment and taxation under this article;

(2) is used in a trade or business or otherwise held, used, or consumed in connection with the production of income; and

(3) was:

(A) acquired by the taxpayer in an arms length transaction from an entity that is not an affiliate of the taxpayer, if the personal property has been previously used in Indiana before being placed in service in the county; or

(B) acquired in any manner, if the personal property has never been previously used in Indiana before being placed in service in the county.

The term does not include mobile homes assessed under IC 6-1.1-7, personal property held as an investment, or personal property that is assessed under IC 6-1.1-8 and is owned by a public utility subject to regulation by the Indiana utility regulatory commission. However, the term does include the personal property of a telephone company or a communications service provider if that personal property meets the requirements of subdivisions (1) through (3), regardless of whether that personal property is assessed under IC 6-1.1-8 and regardless of whether the telephone company or communications service provider is subject to regulation by the Indiana utility regulatory commission.

(d) Notwithstanding section 7 of this chapter, if the acquisition cost of a taxpayer's total business personal property in a county is less than:

(1) eighty thousand dollars ($80,000) for ~~that assessment date,~~ **assessment dates before 2025;**

(2) one hundred fifteen thousand dollars ($115,000) for the

2025 assessment date; and

(3) one hundred fifty thousand dollars ($150,000) for the 2026 assessment date, and each assessment date thereafter;

the taxpayer's business personal property in the county for that assessment date is exempt from taxation.

(e) Subject to subsection (f), a taxpayer that is eligible for the exemption under this section for an assessment date shall include the following information on the taxpayer's personal property tax return:

(1) A declaration that the taxpayer's business personal property in the county is exempt from property taxation.

(2) Whether the taxpayer's business personal property within the county is in one (1) location or multiple locations.

(3) An address for the location of the property.

If the business personal property is in multiple locations within a county, the taxpayer shall provide an address for the location where the sum of acquisition costs for business personal property is greatest. If two (2) or more addresses contain the greatest equivalent sum of acquisition costs for business personal property within a given county, the taxpayer shall choose only one (1) address to list on the return.

(f) Beginning after December 31, 2022, a taxpayer that has included the information required under subsection (e) on the taxpayer's personal property tax return to claim the exemption under this section is not required to file a personal property return for the taxpayer's business personal property for an assessment date that occurs after the assessment date for which the information is first provided under subsection (e), unless or until the taxpayer no longer qualifies for the exemption under subsection (d) for a subsequent assessment date.

SECTION 7. IC 6-1.1-3-22, AS AMENDED BY P.L.159-2020, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 22. (a) Except to the extent that it conflicts with a statute and subject to subsection (f), 50 IAC 4.2 (as in effect January 1, 2001), which was formerly incorporated by reference into this section, is reinstated as a rule.

(b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).

(c) The publisher of the Indiana Administrative Code shall publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

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

(1) 50 IAC 4.2-4-3(f).
(2) 50 IAC 4.2-4-7.
(3) 50 IAC 4.2-4-9.
(4) 50 IAC 4.2-5-7.
(5) 50 IAC 4.2-5-13.
(6) 50 IAC 4.2-6-1.
(7) 50 IAC 4.2-6-2.
(8) 50 IAC 4.2-8-9.

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

(g) Notwithstanding any other provision of this section, 50 IAC 4.2-4-6(c) is void effective July 1, 2015. The publisher of the Indiana Administrative Code and the Indiana Register shall remove this provision from the Indiana Administrative Code.

(h) Notwithstanding any other provision of this section, the department of local government finance shall adopt rules amending 50 IAC 4.2 to reflect the enactment of section 29 of this chapter and the enactment of the exemption for business personal property placed in service after January 1, 2025, under IC 6-1.1-10.4.

SECTION 8. IC 6-1.1-3-23, AS AMENDED BY P.L.220-2011, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 23. (a) In enacting this section, the general assembly finds the following:

(1) The economy of northern Indiana has historically been heavily dependent upon:
(A) the domestic steel industry, particularly the integrated steel mill business, which produces steel from basic raw materials through blast furnace and related operations; and
(B) the oil refining and petrochemical industry.
(2) Northern Indiana is the only area of Indiana with integrated steelmaking facilities.
(3) During the last thirty (30) years, the domestic steel industry has experienced significant financial difficulties. More than one-half (1/2) of the integrated steel mills in the United States were shut down or deintegrated, with the remainder requiring significant investment and the addition of new processes to make

the facilities economically competitive with newer foreign and domestic steelmaking facilities and processes.

(4) The United States needs to protect the capacity of the oil refining and petrochemical industry. No oil refineries have been built in the United States since 1976.

(5) Given the economic conditions affecting older integrated steelmaking facilities, integrated steel mills claimed abnormal obsolescence in reporting the assessed value of equipment located at the integrated steelmaking facilities that began operations before 1970, thereby reporting the equipment's assessed value at far below thirty percent (30%) of the equipment's total cost (far below the "thirty percent (30%) floor" value generally applicable to equipment exhibiting only normal obsolescence under the current department of local government finance rules).

(6) Current law existing before January 1, 2003, obligates the taxpayers making abnormal obsolescence claims to pay personal property taxes based only on, and permits communities to determine property tax budgets and rates based only on, the reported personal property assessed values until the personal property appeals are resolved. Consequently, as a result of abnormal obsolescence claims, the property tax base of communities in northern Indiana is severely reduced for an indeterminate period (if not permanently). The prospect of future appeals and their attendant problems on an ongoing basis must be addressed.

(7) A new, optional method for valuing the equipment of integrated steel mills and entities that are at least fifty percent (50%) owned by an affiliate of an integrated steel mill ("related entities") and the oil refining and petrochemical industry in northern Indiana is needed. That optional method:

(A) recognizes the loss of value and difficulty in valuing equipment at integrated steelmaking facilities and facilities of the oil refining and petrochemical industry that commenced operations decades ago and at the facilities of related entities;

(B) recognizes that depreciable personal property used in integrated steelmaking and in oil refinery or petrochemical operations and by related entities is affected by different economic and market forces than depreciable personal property used in other industries and certain other segments of the steel industry and therefore experiences different amounts of obsolescence and depreciation; and

(C) can be used to simply and efficiently arrive at a value

commensurate with that property's age, use, obsolescence, and market circumstances instead of the current method and its potentially contentious and lengthy appeals. Such an optional method would benefit the communities where these older facilities are located.

(8) Such an optional method would be to authorize a fifth pool in the depreciation schedule for valuing the equipment of integrated steel mills, related entities, and the oil refining and petrochemical industry that reflects all adjustments to the value of that equipment for depreciation and obsolescence, including abnormal obsolescence, which precludes any taxpayer electing such a method from taking any other obsolescence adjustment for the equipment, and which applies only at the election of the taxpayer.

(9) The purpose for authorizing the Pool 5 method is to provide a more simplified and efficient method for valuing the equipment of integrated steel mills and the oil refining and petrochemical industry that recognizes the loss of value and unusual problems associated with the valuation of the equipment or facilities that began operations before 1970 in those industries in northern Indiana, as well as for valuing the equipment of related entities, to stabilize local property tax revenue by eliminating the need for abnormal obsolescence claims, and to encourage those industries to continue to invest in northern Indiana, thereby contributing to the economic life and well-being of communities in northern Indiana, the residents of northern Indiana, and Indiana generally.

(10) The specific circumstances described in this section do not exist throughout the rest of Indiana.

(b) For purposes of this section:

(1) "adjusted cost" refers to the adjusted cost established in 50 IAC 4.2-4-4 (as in effect on January 1, 2003);

(2) "depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-1 (as in effect on January 1, 2003);

(3) "integrated steel mill" means a person, including a subsidiary of a corporation, that produces steel by processing iron ore and other raw materials in a blast furnace in Indiana;

(4) "oil refinery/petrochemical company" means a person that produces a variety of petroleum products by processing an annual average of at least one hundred thousand (100,000) barrels of crude oil per day;

(5) "permanently retired depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1, 2003);

(6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in effect on January 1, 2003);

(7) "special integrated steel mill or oil refinery/petrochemical equipment" means depreciable personal property, other than special tools and permanently retired depreciable personal property:

(A) that:

(i) is owned, leased, or used by an integrated steel mill or an entity that is at least fifty percent (50%) owned by an affiliate of an integrated steel mill; and

(ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647; or

(B) that:

(i) is owned, leased, or used as an integrated part of an oil refinery/petrochemical company or its affiliate; and

(ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647;

(8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as in effect on January 1, 2003); and

(9) "year of acquisition" refers to the year of acquisition determined under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).

(c) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

(d) The department of local government finance shall designate the table under subsection (c) as "Pool No. 5" on the business personal property tax return.

(e) The percentage factors in the table under subsection (c) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil

refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(f) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~ **section 29 of this chapter** do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(g) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(h) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (c) through (g).

SECTION 9. IC 6-1.1-3-23.5, AS AMENDED BY P.L.236-2023, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 23.5. (a) For purposes of this section:

(1) "adjusted cost" has the meaning set forth in section 23(b)(1) of this chapter;

(2) "depreciable personal property" has the meaning set forth in section 23(b)(2) of this chapter;

(3) "mini-mill" means a person, including a subsidiary of a corporation, that produces steel using an electric arc furnace in Indiana;

(4) "permanently retired depreciable personal property" has the meaning set forth in section 23(b)(5) of this chapter;

(5) "pool" has the meaning set forth in section 23(b)(6) of this chapter;

(6) "mini-mill equipment" means depreciable personal property, other than special tools and permanently retired depreciable personal property, that is owned, leased, or used by a mini-mill or an entity that is at least fifty percent (50%) owned by an affiliate of a mini-mill in the production of steel;

(7) "special tools" has the meaning set forth in section 23(b)(8) of this chapter; and

(8) "year of acquisition" for purposes of applying the table in section 23(c) of this chapter, has the meaning set forth in section 23(b)(9) of this chapter.

(b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, beginning with the January 1, 2023, assessment date, a taxpayer may elect to calculate the true tax value of the taxpayer's mini-mill equipment by multiplying the adjusted cost of that equipment by the applicable percentage set forth in the table designated as "Pool No. 5" under section 23(c) and 23(d) of this chapter.

(c) The percentage factors in the table under section 23(c) of this chapter automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for mini-mill equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(d) The minimum valuation limitations under ~~50 IAC 4.2-4-9~~ **section 29 of this chapter** do not apply to mini-mill equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(e) An election to value mini-mill equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's mini-mill equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the January 1, 2023, assessment date. Any mini-mill equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(f) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than "Pool No. 5" (as designated under section 23 of this chapter) is attributable to mini-mill equipment, the taxpayer may elect to calculate the true tax value of all of that property as mini-mill equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (b) through (e).

SECTION 10. IC 6-1.1-3-25, AS ADDED BY P.L.238-2017, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 25. (a) As used in this section, "district" refers to an entrepreneur and enterprise district designated under IC 5-28-15.5.

(b) Notwithstanding section 22(b) of this chapter and IC 6-1.1-8-44(b), assessable depreciable personal property that:

(1) is located in a district;

(2) is placed in service in the district by the owner of the property after the designation of the district under IC 5-28-15.5; and

(3) is used within the district by one (1) or more employees who perform the majority of their service within the district;

is not subject to the valuation limitations in ~~50 IAC 4.2-4-9~~ **section 29 of this chapter** or ~~50 IAC 5.1-6-9.~~ **IC 6-1.1-8-45.**

SECTION 11. IC 6-1.1-3-29 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 29. (a) The limitation set forth in subsection (b) does not apply to:**

(1) the indefinite-situs distributable property of railcar companies; or

(2) the distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars.

(b) Except as provided in subsection (a), this subsection applies only to a taxpayer's assessable depreciable personal property that is placed in service on or before January 1, 2025. Except as provided in subsections (c) and (d), for each assessment date, the total valuation of a taxpayer's assessable depreciable personal property in a single taxing district may not be less than thirty percent (30%) of the adjusted cost of all the taxpayer's assessable depreciable property in the taxing district.

(c) The limitation set forth in subsection (b) is to be applied before any special adjustment for abnormal obsolescence. The limitation does not apply to equipment not placed in service,

special tooling, and permanently retired depreciable personal property.

(d) Depreciable personal property that is placed in service after January 1, 2025, is not subject to the minimum valuation limitation under this section. However, the:

(1) indefinite-situs distributable property of railcar companies; and

(2) distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars;

placed in service after January 1, 2025, remain subject to the minimum valuation limitations under this section.

SECTION 12. IC 6-1.1-4-4.5, AS AMENDED BY P.L.8-2022, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a reassessment under section 4.2 of this chapter for the property last took effect.

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

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

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

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

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

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

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

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

(e) For an assessment beginning after December 31, 2022, agricultural improvements such as but not limited to barns, grain bins,

or silos on land assessed as agricultural shall not be adjusted using factors, such as neighborhood delineation, that are appropriate for use in adjusting residential, commercial, and industrial real property. Those portions of agricultural parcels that include land and buildings not used for an agricultural purpose, such as homes, homesites, and excess residential land and commercial or industrial land and buildings, shall be adjusted by the factor or factors developed for other similar property within the geographic stratification. The residential portion of agricultural properties shall be adjusted by the factors applied to similar residential purposes.

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

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

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

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

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

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

(i) for purposes of determining the preliminary base rate for the January 1, 2025, and the January 1, 2026, assessment dates, nine percent (9%); and

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

shall be used to determine the final base rate.

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

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

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

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

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

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

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

SECTION 13. IC 6-1.1-8-44, AS AMENDED BY P.L.38-2021, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 44. (a) Except to the extent that it conflicts with a statute and subject to subsection (f), 50 IAC 5.1 (as in effect January 1, 2001), which was formerly incorporated by reference into this section, is reinstated as a rule.

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

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

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

(e) A reference in 50 IAC 5.1 to a governmental entity that has been

terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

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

(1) 50 IAC 5.1-6-6.
(2) 50 IAC 5.1-6-7.
(3) 50 IAC 5.1-6-8.
(4) 50 IAC 5.1-6-9.
(5) 50 IAC 5.1-8-1.
(6) 50 IAC 5.1-9-1.
(7) 50 IAC 5.1-9-2.

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

(g) Notwithstanding any other provision of this section, the department of local government finance shall adopt rules amending 50 IAC 5.1 to reflect the enactment of section 45 of this chapter and the enactment of the exemption for business personal property placed in service after January 1, 2025, under IC 6-1.1-10.4.

SECTION 14. IC 6-1.1-8-45 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 45. (a) The limitation set forth in subsection (b) does not apply to:**

(1) the indefinite-situs distributable property of railcar companies; or

(2) the distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars.

(b) Except as provided in subsection (a), this subsection applies only to a taxpayer's assessable depreciable personal property that is placed in service on or before January 1, 2025. Except as provided in subsections (c) and (d), for each assessment date, the total valuation of a taxpayer's assessable depreciable personal property in a single taxing district may not be less than thirty percent (30%) of the adjusted cost of all the taxpayer's assessable depreciable property in the taxing district.

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

(d) Depreciable personal property that is placed in service after January 1, 2025, is not subject to the minimum valuation limitation under this section. However, the:

(1) indefinite-situs distributable property of railcar companies; and

(2) distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars;

placed in service after January 1, 2025, remain subject to the minimum valuation limitations under this section.

SECTION 15. IC 6-1.1-10.3-2 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 2. As used in this chapter, "local income tax council" refers to the local income tax council established by IC 6-3.6-3-1 for a county.~~

SECTION 16. IC 6-1.1-10.3-3, AS AMENDED BY P.L.197-2016, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. As used in this chapter, "exemption ordinance" refers to an ordinance adopted under section 5 of this chapter by a local income tax council **(before July 1, 2026) or by a county adopting body specified in IC 6-3.6-3-1(a) (after June 30, 2026).**

SECTION 17. IC 6-1.1-10.3-5, AS AMENDED BY P.L.197-2016, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 5. (a) A ~~local income tax council~~ **county adopting body specified in IC 6-3.6-3-1(a)** may adopt an exemption ordinance that exempts new personal property located in the county from property taxation as provided in section 6 of this chapter.

(b) ~~For purposes of adopting an exemption ordinance under this chapter, a local income tax council is comprised of the same members as the local income tax council that is established by IC 6-3.6-3-1 for the county, regardless of whether a local income tax is in effect in the county and regardless of how the local income tax in effect in the county is allocated.~~ Except as provided in this chapter, the ~~local income tax council~~ **county adopting body** shall use the same procedures that apply **to county adopting bodies** under IC 6-3.6-3 when acting under this chapter.

(c) Before adopting an exemption ordinance under this section, a ~~local income tax council~~ **county adopting body** must conduct a public hearing on the proposed exemption ordinance. The ~~local income tax council~~ **county adopting body** must publish notice of the public hearing in accordance with IC 5-3-1.

(d) The ~~local income tax council~~ **county adopting body** shall

provide a certified copy of an adopted exemption ordinance to the department of local government finance and the county auditor.

SECTION 18. IC 6-1.1-10.3-7, AS AMENDED BY P.L.197-2016, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 7. A ~~local income tax council~~ **county adopting body specified in IC 6-3.6-3-1(a)** may repeal or amend an exemption ordinance. However, if a ~~local income tax council~~ **county adopting body** repeals or amends an exemption ordinance, any new personal property that was exempt under the exemption ordinance on the date the new personal property was placed into service by a taxpayer remains exempt from property taxation, regardless of whether or not the ownership of the new personal property changes after the date the exemption ordinance is amended or repealed.

SECTION 19. IC 6-1.1-10.4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:

Chapter 10.4. Business Personal Property Exemption

Sec. 1. This chapter applies only to business personal property that is new to a taxpayer and placed in service after January 1, 2025. However, this chapter does not apply to:

(1) the indefinite-situs distributable property of railcar companies; or

(2) the distributable property of a railroad company that provides service within a commuter transportation district established under IC 8-5-15 and utilizes electricity to power substantially all of its railroad passenger cars;

placed in service after January 1, 2025.

Sec. 2. As used in this chapter, "business personal property" means personal property that:

(1) is otherwise subject to assessment and taxation under this article; and

(2) is used in a trade or business or otherwise held, used, or consumed in connection with the production of income.

The term does not include personal property held as an investment.

Sec. 3. Subject to section 5 of this chapter, for assessments made in 2027 through 2031, business personal property is partially exempt from taxation as set forth in this section. The amount of the exemption is equal to:

(1) fifteen percent (15%) of the taxpayer's assessed value for assessments made in 2027 for property taxes first due and payable in 2028;

(2) thirty percent (30%) of the taxpayer's assessed value for

assessments made in 2028 for property taxes first due and payable in 2029;

(3) forty-five percent (45%) of the taxpayer's assessed value for assessments made in 2029 for property taxes first due and payable in 2030;

(4) sixty percent (60%) of the taxpayer's assessed value for assessments made in 2030 for property taxes first due and payable in 2031; and

(5) eighty percent (80%) of the taxpayer's assessed value for assessments made in 2031 for property taxes first due and payable in 2032;

after the application of any deductions or other exemptions that may apply to the taxpayer's business personal property under this article. The partial exemption under this section shall be applied by the taxpayer on the taxpayer's personal property tax return as prescribed by the department of local government finance.

Sec. 4. Subject to section 5 of this chapter, for assessments made in 2032, and for assessments made in each taxable year thereafter, business personal property is totally exempt from property taxation. A taxpayer is not required to file a personal property return for the taxpayer's business personal property for the assessment dates set forth in this section.

Sec. 5. If a taxpayer reacquires business personal property after January 1, 2025, that the taxpayer owned for any period of time before January 2, 2025, for purposes of this chapter the business personal property is not considered new to the taxpayer upon reacquisition and is not eligible for a partial or full exemption from property taxation under this chapter. Instead, the business personal property shall continue to be subject to property assessment and taxation as if the property were placed into service before January 2, 2025.

SECTION 20. IC 6-1.1-12-0.7, AS AMENDED BY P.L.99-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 0.7. Any individual who is sixty-five (65) years of age, is blind, or has a disability (within the meaning of section 11 of this chapter, **before its expiration)** may appoint an individual eighteen (18) years of age or older to act on the individual's behalf for purposes of filing property tax deduction statements for any deductions provided by this chapter. If a statement is filed by an appointee, the appointee's name, address, and telephone number must be included in the statement.

SECTION 21. IC 6-1.1-12-9, AS AMENDED BY P.L.239-2023,

SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) for assessment dates before January 1, 2020, the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

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

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars ($25,000);

(3) for assessment dates after December 31, 2019:

(A) the individual had, in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars ($30,000), and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;

(B) the individual had, in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars ($40,000), and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year; or

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

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a

contract;

as joint tenants or tenants in common did not exceed forty thousand dollars ($40,000), and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;

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

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

(5) for assessment dates:

(A) before January 1, 2020, the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home; or

(B) after December 31, 2019, the individual and any individuals covered by subdivision (3)(C) reside on the real property, mobile home, or manufactured home;

(6) except as provided in subsection (i), the assessed value of the real property, mobile home, or manufactured home does not exceed two hundred forty thousand dollars ($240,000);

(7) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 37, (for assessment dates after February 28, 2008) 37.5, and 38 of this chapter; and

(8) the person:

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

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

on the date the statement required by section 10.1 of this chapter is filed.

For purposes of applying the annual cost of living increases described in subdivision (3)(A) through (3)(C), the annual percentage increase is applied to the adjusted amount of income from the immediately

preceding year.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) fourteen thousand dollars ($14,000).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) fourteen thousand dollars ($14,000).

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

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

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

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

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

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(8).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B) or (a)(3)(C), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an

amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

(i) For purposes of determining the assessed value of the real property, mobile home, or manufactured home under subsection (a)(6) for an individual who has received a deduction under this section in a previous year, increases in assessed value that occur after the later of:

(1) December 31, 2019; or

(2) the first year that the individual has received the deduction;

are not considered unless the increase in assessed value is attributable to substantial renovation or new improvements. Where there is an increase in assessed value for purposes of the deduction under this section, the assessor shall provide a report to the county auditor describing the substantial renovation or new improvements, if any, that were made to the property prior to the increase in assessed value.

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

(k) This section expires January 1, 2027.

SECTION 22. IC 6-1.1-12-10.1, AS AMENDED BY P.L.136-2024, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is located. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the statement must be completed, dated, and filed with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) the source and exact amount of gross income received by the individual and the individual's spouse during the preceding calendar year;

(2) the description and assessed value of the real property, mobile home, or manufactured home;

(3) the individual's full name and complete residence address;

(4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on contract; and

(5) any additional information which the department of local government finance may require.

(c) In order to substantiate the deduction statement, the applicant shall submit for inspection by the county auditor a copy of the applicant's and a copy of the applicant's spouse's income tax returns that were originally due in the calendar year immediately preceding the desired calendar year in which the property taxes are first due and payable and for which the applicant and the applicant's spouse desire to claim the deduction. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

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

(e) This section expires January 1, 2027.

SECTION 23. IC 6-1.1-12-11, AS AMENDED BY P.L.148-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars ($12,480) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the individual is blind or the individual has a disability;

(2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence;

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars ($17,000); and

(4) the individual:

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

home; or

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

on the date the statement required by section 12 of this chapter is filed.

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "individual with a disability" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or

(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) An individual with a disability filing a claim under this section shall submit proof of the disability. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) An individual with a disability not covered under the federal Social Security Act shall be examined by a physician and the individual's status as an individual with a disability determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

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

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

(i) This section expires January 1, 2027.

SECTION 24. IC 6-1.1-12-12, AS AMENDED BY P.L.136-2024, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 12. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the department of local government finance, with the auditor of the

county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the application must be completed, dated, and filed with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

(1) the records of the division of family resources or the division of disability and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home.

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

(e) This section expires January 1, 2027.

SECTION 25. IC 6-1.1-12-13, AS AMENDED BY P.L.293-2013(ts), SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 13. (a) Except as provided in section 40.5 of this chapter, an individual may have twenty-four thousand nine hundred sixty dollars ($24,960) deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

(1) the individual served in the military or naval forces of the United States during any of its wars;

(2) the individual received an honorable discharge;

(3) the individual has a disability with a service connected disability of ten percent (10%) or more;

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

(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

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

(5) the individual:

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

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

on the date the statement required by section 15 of this chapter is filed.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual satisfied the requirements of subsection (a)(1) through (a)(4) at the time of death and the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

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

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

(f) This section expires January 1, 2027.

SECTION 26. IC 6-1.1-12-14, AS AMENDED BY P.L.136-2024, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of fourteen thousand

dollars ($14,000) deducted from the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

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

(2) the individual received an honorable discharge;

(3) the individual either:

(A) has a total disability; or

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

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

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

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

(5) the individual:

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

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

on the date the statement required by section 15 of this chapter is filed.

(b) Except as provided in subsections (c) and (d), the surviving spouse of an individual may receive the deduction provided by this section if:

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

(2) the individual:

(A) was killed in action;

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

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

the surviving spouse satisfies the requirement of subsection (a)(5) at the time the deduction statement is filed. The surviving spouse is entitled to the deduction regardless of whether the property for which the deduction is claimed was owned by the deceased veteran or the surviving spouse before the deceased veteran's death.

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

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

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

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

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

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

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

(1) December 31, 2019; or

(2) the first year that the individual has received the deduction;

are not considered unless the increase in assessed value is attributable to substantial renovation or new improvements. Where there is an increase in assessed value for purposes of the deduction under this section, the assessor shall provide a report to the county auditor describing the substantial renovation or new improvements, if any, that were made to the property prior to the increase in assessed value.

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

(h) This section expires January 1, 2027.

SECTION 27. IC 6-1.1-12-14.5, AS ADDED BY P.L.100-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 14.5. (a) As used in this section, "homestead" has the meaning set forth in ~~IC 6-1.1-12-37.~~ **section 37 of this chapter.**

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

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

(2) the individual received an honorable discharge;

(3) the individual has a disability of at least fifty percent (50%);

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

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

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

(5) the homestead was conveyed without charge to the individual who is the owner of the homestead by an organization that is exempt from income taxation under the federal Internal Revenue Code.

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

(1) If the individual is totally disabled, the deduction is equal to one hundred percent (100%) of the assessed value of the homestead.

(2) If the individual has a disability of at least ninety percent (90%) but the individual is not totally disabled, the deduction is equal to ninety percent (90%) of the assessed value of the homestead.

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

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

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

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

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

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

SECTION 28. IC 6-1.1-12-15, AS AMENDED BY P.L.136-2024, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 15. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 13 or 14 of this chapter must file a statement with the auditor of the county in which the individual resides. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the statement must be completed, dated, and filed with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

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

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

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

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

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section. If a deceased veteran's surviving spouse is claiming the deduction, the surviving spouse shall provide the documentation necessary to

establish that at the time of death the deceased veteran satisfied the requirements of section 13(a)(1) through 13(a)(4) of this chapter, section 14(a)(1) through 14(a)(4) of this chapter, or section 14(b)(2) of this chapter, whichever applies.

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

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

(f) This section expires January 1, 2027.

SECTION 29. IC 6-1.1-12-16, AS AMENDED BY P.L.1-2009, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 16. (a) Except as provided in section 40.5 of this chapter, a surviving spouse may have the sum of eighteen thousand seven hundred twenty dollars ($18,720) deducted from the assessed value of ~~his or her~~ **the surviving spouse's** tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving spouse is buying under a contract that provides that the surviving spouse is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

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

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

(3) the surviving spouse:

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

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

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

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of this chapter. However, ~~he or she~~ **the surviving spouse** may receive any other deduction which ~~he or she~~ **the surviving spouse** is entitled to by law.

(c) An individual who has sold real property, a mobile home not

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

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

(e) This section expires January 1, 2027.

SECTION 30. IC 6-1.1-12-17, AS AMENDED BY P.L.136-2024, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17. **(a)** Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the statement must be completed, dated, and filed with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

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

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

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

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

(c) This section expires January 1, 2027.

SECTION 31. IC 6-1.1-12-17.8, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.8. (a) An individual who receives a deduction provided under section 9 **(before its expiration),** 11 **(before its expiration),** 13 **(before its expiration),** 14

(before its expiration), 16 **(before its expiration),** 17.4 (before its expiration), or 37 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year. However, for purposes of a deduction under section 37 of this chapter, the county auditor may, in the county auditor's discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates the deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to:

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

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

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

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

(d) An individual who receives a deduction provided under section 9 **(before its expiration),** 11 **(before its expiration),** 13 **(before its expiration),** 14 **(before its expiration),** 16 **(before its expiration),** 17.4 (before its expiration), or 37 of this chapter for property that is

jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

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

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

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

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

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

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

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

(f) A cooperative housing corporation (as defined in 26 U.S.C. 216) that is entitled to a deduction under section 37 of this chapter in the immediately preceding calendar year for a homestead (as defined in section 37 of this chapter) is not required to file a statement to apply for the deduction for the current calendar year if the cooperative housing corporation remains eligible for the deduction for the current calendar year. However, the county auditor may, in the county auditor's

discretion, terminate the deduction for assessment dates after January 15, 2012, if the individual does not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015), as determined by the county auditor, before January 1, 2013. Before the county auditor terminates a deduction because the taxpayer claiming the deduction did not comply with the requirement in IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013, the county auditor shall mail notice of the proposed termination of the deduction to:

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

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

(g) An individual who:

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

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

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

(h) If a county auditor terminates a deduction because the taxpayer claiming the deduction did not comply with the requirement in

IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015) before January 1, 2013, the county auditor shall reinstate the deduction if the taxpayer provides proof that the taxpayer is eligible for the deduction and is not claiming the deduction for any other property.

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

SECTION 32. IC 6-1.1-12-17.9, AS AMENDED BY P.L.190-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 17.9. **(a)** A trust is entitled to a deduction under section 9 **(before its expiration),** 11 **(before its expiration),** 13 **(before its expiration),** 14 **(before its expiration),** 16 **(before its expiration),** or 17.4 (before its expiration) of this chapter for real property owned by the trust and occupied by an individual if the county auditor determines that the individual:

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

(A) a beneficial interest in the trust; or

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

(2) otherwise qualifies for the deduction.

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

(c) This section expires January 1, 2027.

SECTION 33. IC 6-1.1-12-18, AS AMENDED BY P.L.181-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 18. (a) This section applies only to:

(1) rehabilitation of residential real property that occurs before January 2, 2017; **and**

(2) property taxes imposed for an assessment date before January 1, 2025.

(b) If the assessed value of residential real property described in subsection (e) is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

(1) the total increase in assessed value resulting from the rehabilitation (excluding an increase in assessed value that occurs after January 1, 2017); or

(2) eighteen thousand seven hundred twenty dollars ($18,720) per rehabilitated dwelling unit.

The owner is entitled to this deduction annually for a five (5) year period, or if subsection (f) applies, the period established under subsection (f).

(c) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure which are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

(d) For the purposes of this section, the term "owner" or "property owner" includes any person who has the legal obligation, or has otherwise assumed the obligation, to pay the real property taxes on the rehabilitated property.

(e) The deduction provided by this section applies only:

(1) for the rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

(A) A single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed thirty-seven thousand four hundred forty dollars ($37,440).

(B) A two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed forty-nine thousand nine hundred twenty dollars ($49,920).

(C) A dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed eighteen thousand seven hundred twenty dollars ($18,720) per dwelling unit; and

(2) if the property owner:

(A) owns the residential real property; or

(B) is buying the residential real property under contract;

on the assessment date of the year in which an application must be filed under section 20 of this chapter.

(f) A county, city, or town fiscal body may adopt an ordinance to establish a deduction period that is longer than five (5) years but not to exceed fifteen (15) years for any rehabilitated property covered by this section that has also been determined to be abandoned or vacant for purposes of IC 6-1.1-24.

(g) This section expires January 1, ~~2033.~~ **2027.**

SECTION 34. IC 6-1.1-12-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 21. When real property is reassessed because it has been rehabilitated, the assessing official who, or the county property tax assessment board of appeals which, makes the reassessment shall give the owner notice of the property tax deductions provided by sections 18 and 22 of this chapter **(before their expiration).** The official or county property tax assessment board of appeals shall attach the notice to the reassessment notice required by IC 6-1.1-4-22.

SECTION 35. IC 6-1.1-12-26, AS AMENDED BY P.L.113-2010, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 26. (a) The owner of real property, or a mobile home which is not assessed as real property, which is equipped with a solar energy heating or cooling system may have deducted annually from the assessed value of the real property or mobile home an amount which is equal to the out-of-pocket expenditures by the owner (or a previous owner) of the real property or mobile home for:

(1) the components; and

(2) the labor involved in installing the components;

that are unique to the system and that are needed to collect, store, or distribute solar energy.

(b) The tangible property to which subsection (a) applies includes a solar thermal air system and any solar energy heating or cooling system used for:

(1) domestic hot water or space heat, or both, including pool heating; or

(2) preheating for an industrial process.

(c) Subsection (a) does not apply to tangible property that would not be subject to assessment and taxation under this article if this section did not apply.

(d) For purposes of subsection (a), proof of out-of-pocket expenditures may be demonstrated by invoices or other evidence of a purchase and installation, as determined under rules or guidelines prescribed by the department of local government finance.

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

(f) This section expires January 1, 2027.

SECTION 36. IC 6-1.1-12-26.1, AS ADDED BY P.L.137-2012, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 26.1. (a) This section applies only to a solar power device that is installed after December 31,

2011.

(b) This section does not apply to a solar power device that is owned or operated by a person that provides electricity at wholesale or retail for consideration other than a person that:

(1) participates in a net metering or feed-in-tariff program offered by an electric utility with respect to the solar power device; or

(2) is the owner or host of the solar power device site and a person consumes on the site the equivalent amount of electricity that is generated by the solar power device on an annual basis even if the electricity is sold to a public utility, including a solar power device directly serving a public utility's business operations site.

(c) For purposes of this section, "solar power device" means a device, such as a solar thermal, a photovoltaic, or other solar energy system, that is designed to use the radiant light or heat from the sun to produce electricity.

(d) The owner of real property equipped with a solar power device that is assessed as a real property improvement may have deducted annually from the assessed value of the real property an amount equal to:

(1) the assessed value of the real property with the solar power device included; minus

(2) the assessed value of the real property without the solar power device.

(e) The owner of a solar power device that is assessed as:

(1) distributable property under IC 6-1.1-8; or

(2) personal property;

may have deducted annually the assessed value of the solar power device.

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

(g) This section expires January 1, 2027.

SECTION 37. IC 6-1.1-12-27.1, AS AMENDED BY P.L.136-2024, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 27.1. **(a)** Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 26 or 26.1 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, manufactured home, or solar power device is subject to assessment. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the person must

complete, date, and file the certified statement with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The person must:

(1) own the real property, mobile home, or manufactured home or own the solar power device;

(2) be buying the real property, mobile home, manufactured home, or solar power device under contract; or

(3) be leasing the real property from the real property owner and be subject to assessment and property taxation with respect to the solar power device;

on the date the statement is filed under this section. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the real property, mobile home, manufactured home, or solar power device is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

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

(c) This section expires January 1, 2027.

SECTION 38. IC 6-1.1-12-28.5, AS AMENDED BY P.L.146-2008, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 28.5. (a) For purposes of this section:

(1) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a) and includes a waste determined to be a hazardous waste under IC 13-22-2-3(b).

(2) "Resource recovery system" means tangible property directly used to dispose of solid waste or hazardous waste by converting it into energy or other useful products.

(3) "Solid waste" has the meaning set forth in IC 13-11-2-205(a) but does not include dead animals or any animal solid or semisolid wastes.

(b) Except as provided in this section, the owner of a resource recovery system is entitled to an annual deduction in an amount equal to ninety-five percent (95%) of the assessed value of the system if:

(1) the system was certified by the department of environmental management for the 1993 assessment year or a prior assessment year; and

(2) the owner filed a timely application for the deduction for the 1993 assessment year.

For purposes of this section, a system includes tangible property that

replaced tangible property in the system after the certification by the department of environmental management.

(c) The owner of a resource recovery system that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of any violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or a criminal statute under IC 13; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based upon a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(d) The certification of a resource recovery system by the department of environmental management for the 1993 assessment year or a prior assessment year is valid through the 1997 assessment year so long as the property is used as a resource recovery system. If the property is no longer used for the purpose for which the property was used when the property was certified, the owner of the property shall notify the county auditor. However, the deduction from the assessed value of the system is:

(1) ninety-five percent (95%) for the 1994 assessment year;

(2) ninety percent (90%) for the 1995 assessment year;

(3) seventy-five percent (75%) for the 1996 assessment year; and

(4) sixty percent (60%) for the 1997 assessment year.

Notwithstanding this section as it existed before 1995, for the 1994 assessment year, the portion of any tangible property comprising a resource recovery system that was assessed and first deducted for the 1994 assessment year may not be deducted for property taxes first due and payable in 1995 or later.

(e) In order to qualify for a deduction under this section, the person who desires to claim the deduction must file an application with the county auditor after February 28 and before May 16 of the current assessment year. An application must be filed in each year for which the person desires to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. If the application is not filed before the applicable deadline under this subsection, the deduction is waived. The application must be filed on a form prescribed by the department of local government finance. The application for a resource recovery system deduction must include:

(1) a certification by the department of environmental

management for the 1993 assessment year or a prior assessment year as described in subsection (d); or

(2) the certification by the department of environmental management for the 1993 assessment year as described in subsection (g).

Beginning with the 1995 assessment year a person must also file an itemized list of all property on which a deduction is claimed. The list must include the date of purchase of the property and the cost to acquire the property.

(f) Before July 1, 1995, the department of environmental management shall transfer all the applications, records, or other material the department has with respect to resource recovery system deductions under this section for the 1993 and 1994 assessment years. The township assessor, or the county assessor if there is no township assessor for the township, shall verify each deduction application filed under this section and the county auditor shall determine the deduction. The county auditor shall send to the department of local government finance a copy of each deduction application. The county auditor shall notify the county property tax assessment board of appeals of all deductions allowed under this section. A denial of a deduction claimed under this subsection may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, the county assessor, or the county auditor.

(g) Notwithstanding subsection (d), the certification for the 1993 assessment year of a resource recovery system in regard to which a political subdivision is liable for the payment of the property taxes remains valid at the ninety-five percent (95%) deduction level allowed before 1994 as long as the political subdivision remains liable for the payment of the property taxes on the system.

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

(i) This section expires January 1, 2027.

SECTION 39. IC 6-1.1-12-29, AS AMENDED BY P.L.46-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 29. (a) This section does not apply to a wind power device that is owned or operated by:

(1) a public utility (as defined in IC 8-1-2-1(a)); or

(2) another entity that provides electricity at wholesale or retail for consideration, other than a person who participates in a net metering program offered by an electric utility.

This subsection shall be interpreted to clarify and not to change the general assembly's intent with respect to this section.

(b) For purposes of this section, "wind power device" means a device, such as a windmill or a wind turbine, that is designed to utilize the kinetic energy of moving air to provide mechanical energy or to produce electricity.

(c) The owner of real property, or a mobile home that is not assessed as real property, that is equipped with a wind power device is entitled to an annual property tax deduction. The amount of the deduction equals the remainder of (1) the assessed value of the real property or mobile home with the wind power device included, minus (2) the assessed value of the real property or mobile home without the wind power device.

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

(e) This section expires January 1, 2027.

SECTION 40. IC 6-1.1-12-30, AS AMENDED BY P.L.136-2024, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 30. **(a)** Except as provided in sections 36 and 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the person must complete, date, and file the statement with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The person must:

(1) own the real property, mobile home, or manufactured home; or

(2) be buying the real property, mobile home, or manufactured home under contract;

on the date the statement is filed under this section. On verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

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

(c) This section expires January 1, 2027.

SECTION 41. IC 6-1.1-12-33, AS AMENDED BY P.L.144-2008, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 33. (a) For purposes of

this section "hydroelectric power device" means a device which is installed after December 31, 1981, and is designed to utilize the kinetic power of moving water to provide mechanical energy or to produce electricity.

(b) The owner of real property, or a mobile home that is not assessed as real property, that is equipped with a hydroelectric power device is annually entitled to a property tax deduction. The amount of the deduction equals the remainder of:

(1) the assessed value of the real property or mobile home with the hydroelectric power device; minus

(2) the assessed value of the real property or mobile home without the hydroelectric power device.

(c) The deduction provided by this section applies only if the property owner:

(1) owns the real property or mobile home; or

(2) is buying the real property or mobile home under contract;

on the date the statement is filed under section 35.5 of this chapter.

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

(e) This section expires January 1, 2027.

SECTION 42. IC 6-1.1-12-34, AS AMENDED BY P.L.144-2008, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 34. (a) For purposes of this section, "geothermal energy heating or cooling device" means a device that is installed after December 31, 1981, and is designed to utilize the natural heat from the earth to provide hot water, produce electricity, or generate heating or cooling.

(b) The owner of real property, or a mobile home that is not assessed as real property, that is equipped with a geothermal energy heating or cooling device is annually entitled to a property tax deduction. The amount of the deduction equals the remainder of: (1) the assessed value of the real property or mobile home with the geothermal heating or cooling device; minus (2) the assessed value of the real property or mobile home without the geothermal heating or cooling device.

(c) The deduction provided by this section applies only if the property owner:

(1) owns the real property or mobile home; or

(2) is buying the real property or mobile home under contract;

on the date the statement is filed under section 35.5 of this chapter.

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

(e) This section expires January 1, 2027.

SECTION 43. IC 6-1.1-12-35.5, AS AMENDED BY P.L.136-2024, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 35.5. (a) Except as provided in section 36 or 44 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided by section 33 **(before its expiration)** or 34 **(before its expiration)** of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance and proof of certification under subsection (b) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the person must complete, date, and file the certified statement with the county auditor on or before January 15 of the calendar year in which the property taxes are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

(b) The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 33 **(before its expiration)** or 34 **(before its expiration)** of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) If the department of environmental management receives an application for certification, the department shall determine whether the system or device qualifies for a deduction. If the department fails to make a determination under this subsection before December 31 of the year in which the application is received, the system or device is considered certified.

(d) A denial of a deduction claimed under section 33 **(before its expiration)** or 34 **(before its expiration)** of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor county property tax assessment board of appeals, or department of local government finance.

(e) Notwithstanding any other law, if there is a change in ownership of real property, or a mobile home that is not assessed as real property:

(1) that is equipped with a geothermal energy heating or cooling device; and

(2) whose previous owner received a property tax deduction under section 34 of this chapter **(before its expiration)** for the geothermal energy heating or cooling device prior to the change in ownership;

the new owner shall be eligible for the property tax deduction following the change in ownership and, in subsequent taxable years, shall not be required to obtain a determination of qualification from the department of environmental management under subsection (b) and shall not be required to file a certified statement of qualification with the county auditor under subsection (a) to remain eligible for the property tax deduction.

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

(g) This section expires January 1, 2027.

SECTION 44. IC 6-1.1-12-36, AS AMENDED BY P.L.214-2019, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 36. (a) A person who receives a deduction provided under section 26 **(before its expiration),** 29 **(before its expiration),** 33 **(before its expiration),** 34 **(before its expiration),** or 38 **(before its expiration)** of this chapter for a particular year and who remains eligible for the deduction for the following year is not required to file a statement to apply for the deduction for the following year.

(b) A person who receives a deduction provided under section 26 **(before its expiration),** 29 **(before its expiration),** 33 **(before its expiration),** 34 **(before its expiration),** or 38 **(before its expiration)** of this chapter for a particular year and who becomes ineligible for the deduction for the following year shall notify the auditor of the county in which the real property or mobile home for which the person received the deduction is located of the person's ineligibility before March 31 of the year for which the person becomes ineligible.

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 26 **(before its expiration),** 29 **(before its expiration),** 33 **(before its expiration),** 34 **(before its expiration),** or 38 **(before its expiration)** of this chapter to each person who received the deduction in the preceding year unless the auditor determines that the person is no longer eligible for the deduction.

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

(e) This section expires January 1, 2027.

SECTION 45. IC 6-1.1-12-37, AS AMENDED BY P.L.156-2024, SECTION 11, AND AS AMENDED BY P.L.136-2024, SECTION 14, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 37. (a) The following definitions apply throughout this section:

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

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

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

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

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

(A) that is located in Indiana;

(B) that:

(i) the individual owns;

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

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

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

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

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

(ii) One (1) additional building that is not part of the

dwelling if the building is predominantly used for a residential purpose and is not used as an investment property or as a rental property.

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

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

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

(1) the assessment date; or

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

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

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

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

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

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

~~(2) for assessment dates:~~

~~(A) before January 1, 2023, forty-five thousand dollars ($45,000); or~~

~~(B) after December 31, 2022, forty-eight thousand dollars ($48,000).~~

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

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

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

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

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

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

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

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

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

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

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

(3) the names of:

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

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

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

if the applicant is an individual; or

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

(i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security

number; or

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

if the applicant is not an individual; and

(4) either:

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

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

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) The last five (5) digits of a preparer tax identification number that is obtained by the individual through the Internal Revenue Service of the United States.

(iv) If the individual does not have a driver's license, a state identification card, or an Internal Revenue Service preparer tax identification number, the last five (5) digits of a control number that is on a document issued to the individual by the United States government.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. ~~*To obtain the deduction for a desired calendar year in which property taxes are first due and payable, the statement must be completed and dated in the immediately preceding calendar year and filed with the county auditor on or before January 5 of the calendar year in which the property taxes are first due and payable.*~~

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

(1) Complete, date, and file the certified statement described in

subsection (e) on or before January 15 of the calendar year in which the property taxes are first due and payable.

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

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

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

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

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

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

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

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

~~(h)~~ *(i)* This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on the assessment date in the same year in which an application for a deduction is filed under this section or, if the application is for a

homestead that is assessed as personal property, on the assessment date in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. Except as provided in subsection ~~(k);~~ *(l),* the county auditor may not grant an individual or a married couple a deduction under this section if:

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

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

~~(i)~~ *(j)* The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.6-5 ~~(after December 31, 2016).~~ **(before its expiration).** Each county auditor shall submit data on deductions applicable to the current tax year on or before March 15 of each year in a manner prescribed by the department of local government finance.

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

~~(k)~~ *(l)* A county auditor shall grant an individual a deduction under this section regardless of whether the individual and the individual's spouse claim a deduction on two (2) different applications and each application claims a deduction for different property if the property owned by the individual's spouse is located outside Indiana and the individual files an affidavit with the county auditor containing the

following information:

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

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

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

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

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

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

~~(l)~~ *(m)* If:

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

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

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

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

(1) either:

(A) the individual's interest in the homestead as described in subsection (a)(2)(B) is conveyed to the individual after the

assessment date, but within the calendar year in which the assessment date occurs; or

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

(2) on the assessment date:

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

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

(3) either:

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

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

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

~~(m)~~ *(o)* This subsection applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013. Notwithstanding any other provision of this section, an individual buying a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property under a contract providing that the individual is to pay the property taxes on the mobile home or manufactured home is not entitled to the deduction provided by this section unless the parties to the contract comply with IC 9-17-6-17.

~~(o)~~ *(p)* This subsection:

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

(2) does not apply to an individual described in subsection ~~(m).~~

(o).

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

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

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

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

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

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

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

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

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

(B) One (1) additional building that is not part of the dwelling if the building is predominately used for a residential purpose

and is not used as an investment property or as a rental property.

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

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

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

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

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

SECTION 46. IC 6-1.1-12-37.5, AS AMENDED BY P.L.239-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 37.5. (a) A person who is entitled to a standard deduction from the assessed value of property under section 37 of this chapter is also entitled to receive a supplemental deduction from the assessed value of the homestead to which the standard deduction applies after the application of the standard deduction but before the application of any other deduction, exemption, or credit for which the person is eligible.

(b) **This subsection applies to taxes first due and payable before January 1, 2026.** The amount of the deduction under this section is equal to the sum of the following:

(1) For property taxes first due and payable:

(A) before January 1, 2024, thirty-five percent (35%);

(B) in 2024, forty percent (40%); **and**

(C) in 2025, thirty-seven and five-tenths percent (37.5%); ~~and~~

~~(D) after December 31, 2025, thirty-five percent (35%);~~

of the assessed value determined under subsection (a) that is not more than six hundred thousand dollars ($600,000).

(2) For property taxes first due and payable:

(A) before January 1, 2024, twenty-five percent (25%);

(B) in 2024, thirty percent (30%); **and**

(C) in 2025, twenty-seven and five-tenths percent (27.5%); ~~and~~

~~(D) after December 31, 2025, twenty-five percent (25%);~~

of the assessed value determined under subsection (a) that is more than six hundred thousand dollars ($600,000).

(c) This subsection applies to taxes first due and payable after December 31, 2025. The amount of the deduction under this section is equal to:

(1) the assessed value of property reduced by the deduction amount under section 37 of this chapter for the property for the particular tax year; multiplied by

(2) the following:

(A) Forty percent (40%) for taxes first due and payable in 2026.

(B) Forty-six percent (46%) for taxes first due and payable in 2027.

(C) Fifty-two percent (52%) for taxes first due and payable in 2028.

(D) Fifty-seven percent (57%) for taxes first due and payable in 2029.

(E) Sixty-two percent (62%) for taxes first due and payable in 2030.

(F) Sixty-six and seven-tenths percent (66.7%) for taxes first due and payable in 2031, and each year thereafter.

However, the amount of the deduction under this section may not exceed the amount equal to seventy-five percent (75%) of the gross assessed value of the property.

~~(c)~~ **(d)** The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

~~(d)~~ **(e)** The deduction granted under this section shall not be considered in applying section 40.5 of this chapter to the deductions applicable to property. Section 40.5 of this chapter does not apply to the deduction granted under this section.

SECTION 47. IC 6-1.1-12-38, AS AMENDED BY P.L.136-2024, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

(1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department

of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-16-2-44 and the pesticide storage rules adopted by the state chemist under IC 15-16-4-52. Subject to section 45 of this chapter, the statement must be completed, dated, and filed with the county auditor on or before January 15 of the immediately succeeding calendar year. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, or the county assessor if there is no township assessor for the township, the county auditor shall allow the deduction.

(c) The deduction provided by this section applies only if the person:

(1) owns the property; or

(2) is buying the property under contract;

on the assessment date for which the deduction applies.

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

(e) This section expires January 1, 2027.

SECTION 48. IC 6-1.1-12-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 40. (a) This section applies only to real property that is located in an enterprise zone established in a county containing a consolidated city.

(b) The owner of real property described in subsection (a) is entitled to a deduction under this section if:

(1) an obsolescence depreciation adjustment for either functional obsolescence or economic obsolescence was allowed for the property for property taxes assessed in the year preceding the year in which the owner purchased the property;

(2) the property owner submits an application requesting the deduction to the fiscal body of the county in which the property is located; and

(3) the fiscal body of the county approves the deduction.

(c) If a county fiscal body approves a deduction under this section, it must notify the county auditor of the approval of the deduction.

(d) A deduction may be claimed under this section for not more than four (4) years. The amount of the deduction under this section equals:

(1) the amount of the obsolescence depreciation adjustment for either functional obsolescence or economic obsolescence that was allowed for the property for property taxes assessed in the year

preceding the year in which the owner purchased the property; multiplied by

(2) the following percentages:

(A) One hundred percent (100%), for property taxes assessed in the year in which the owner purchased the property.

(B) Seventy-five percent (75%), for property taxes assessed in the year after the year in which the owner purchased the property.

(C) Fifty percent (50%), for property taxes assessed in the second year after the year in which the owner purchased the property.

(D) Twenty-five percent (25%), for property taxes assessed in the third year after the year in which the owner purchased the property.

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

(f) This section expires January 1, 2027.

SECTION 49. IC 6-1.1-12-42, AS AMENDED BY P.L.146-2008, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 42. (a) As used in this section, "assessed value of inventory" means the assessed value determined after the application of any deductions or adjustments that apply by statute or rule to the assessment of inventory, other than the deduction established in subsection (c).

(b) As used in this section, "inventory" has the meaning set forth in IC 6-1.1-3-11 (repealed).

(c) A taxpayer is entitled to a deduction from assessed value equal to one hundred percent (100%) of the taxpayer's assessed value of inventory for assessments made in 2006 for property taxes first due and payable in 2007.

(d) A taxpayer is not required to file an application to qualify for the deduction established by this section.

(e) The department of local government finance shall incorporate the deduction established by this section in the personal property return form to be used each year for filing under IC 6-1.1-3-7 or IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the form. If a taxpayer fails to enter the deduction on the form, the township assessor, or the county assessor if there is no township assessor for the township, shall:

(1) determine the amount of the deduction; and

(2) within the period established in IC 6-1.1-16-1, issue a notice of assessment to the taxpayer that reflects the application of the

deduction to the inventory assessment.

(f) The deduction established by this section must be applied to any inventory assessment made by:

(1) an assessing official;

(2) a county property tax assessment board of appeals; or

(3) the department of local government finance.

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

(h) This section expires January 1, 2027.

SECTION 50. IC 6-1.1-12-43, AS AMENDED BY P.L.174-2022, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 43. (a) For purposes of this section:

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

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

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

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

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

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

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

(1) on one (1) side:

(A) list each benefit; and

(B) list the eligibility criteria for each benefit;

(2) on the other side indicate:

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

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

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

(d) A closing agent:

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

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

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

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

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

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

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

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

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the

agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into:

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

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

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

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

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

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

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

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

SECTION 51. IC 6-1.1-12-44, AS AMENDED BY P.L.136-2024, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 44. (a) A sales disclosure form under IC 6-1.1-5.5:

(1) that is submitted:

(A) as a paper form; or

(B) electronically;

on or before January 15 of a calendar year in which property taxes are first due and payable to the county assessor by or on behalf of the purchaser of a homestead (as defined in section 37 of this chapter) assessed as real property;

(2) that is accurate and complete;

(3) that is approved by the county assessor as eligible for filing with the county auditor; and

(4) that is filed:

(A) as a paper form; or

(B) electronically;

with the county auditor by or on behalf of the purchaser;

constitutes an application for the deductions provided by sections 26 **(before its expiration),** 29 **(before its expiration),** 33 **(before its expiration),** 34 **(before its expiration),** and 37 of this chapter with

respect to property taxes first due and payable in the calendar year referred to in subdivision (1). The county auditor may not deny an application for the deductions provided by section 37 of this chapter because the applicant does not have a valid driver's license or state identification card with the address of the homestead property.

(b) Except as provided in subsection (c), if:

(1) the county auditor receives in a calendar year a sales disclosure form that meets the requirements of subsection (a); and

(2) the homestead for which the sales disclosure form is submitted is otherwise eligible for a deduction referred to in subsection (a);

the county auditor shall apply the deduction to the homestead for property taxes first due and payable in the calendar year for which the homestead qualifies under subsection (a) and in any later year in which the homestead remains eligible for the deduction.

(c) Subsection (b) does not apply if the county auditor, after receiving a sales disclosure form from or on behalf of a purchaser under subsection (a)(4), determines that the homestead is ineligible for the deduction.

SECTION 52. IC 6-1.1-12-46, AS AMENDED BY P.L.174-2022, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 46. (a) This section applies to real property for an assessment date in 2011 or a later year if:

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

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

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

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

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

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

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

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

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

(5) IC 6-1.1-12-14 **(before its expiration).**

(6) IC 6-1.1-12-16 **(before its expiration).**
(7) IC 6-1.1-12-17.4 (before its expiration).
(8) IC 6-1.1-12-18 (before its expiration).
(9) IC 6-1.1-12-22 (before its expiration).
(10) IC 6-1.1-12-37.
(11) IC 6-1.1-12-37.5.

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

SECTION 53. IC 6-1.1-12-47 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 47. (a) This section applies to assessment dates beginning after December 31, 2024.**

(b) As used in the section, "eligible property" means all property that is subject to the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(2) through IC 6-1.1-20.6-7.5(a)(4).

(c) A taxpayer is entitled to a deduction from the assessed value of the taxpayer's eligible property after the application of any other deductions that apply under this article equal to:

(1) six percent (6%) of the taxpayer's assessed value for assessments made in 2025 for property taxes first due and payable in 2026;
(2) twelve percent (12%) of the taxpayer's assessed value for assessments made in 2026 for property taxes first due and payable in 2027;
(3) nineteen percent (19%) of the taxpayer's assessed value for assessments made in 2027 for property taxes first due and payable in 2028;
(4) twenty-five percent (25%) of the taxpayer's assessed value for assessments made in 2028 for property taxes first due and payable in 2029;
(5) thirty percent (30%) of the taxpayer's assessed value for assessments made in 2029 for property taxes first due and payable in 2030; and
(6) thirty-three and four-tenths percent (33.4%) of the taxpayer's assessed value for assessments made in 2030 for property taxes first due and payable in 2031, and for assessments made in each taxable year thereafter.

(d) A taxpayer is not required to file an application to qualify

for the deduction established by this section. A county auditor shall apply the deduction to eligible property in the county as set forth in this section.

(e) Application of the phased in deduction under this section for assessment dates after December 31, 2024, with regard to mobile homes that are not assessed as real property and manufactured homes not assessed as real property shall be construed and applied in the same manner in terms of timing and consistent with its application for real property.

SECTION 54. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.8-2022, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4.5. (a) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire. A statement of benefits for new farm equipment must describe each piece of new farm equipment with sufficient detail to afford identification.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology

equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(c) Except as provided in subsection (f), and subject to subsection (g) and section 15 of this chapter, an owner of new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under section 17 or 18 of this chapter. Except as provided in subsection (d) and in section 2(i)(3) of this chapter, and subject to subsection (g) and section 15 of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the abatement schedule established under section 17 or 18 of this chapter; multiplied by

(2) the percentage prescribed by the designating body under section 17 or 18 of this chapter.

(d) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the

deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(e) The designating body shall determine the number of years the deduction is allowed under section 17 or 18 of this chapter. Except as provided by section 18 of this chapter, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(f) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a criminal violation under IC 13, including IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(g) For purposes of subsection (c), the assessed value of new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45** is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9;~~ **IC 6-1.1-8-45;** multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under

~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45** for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45** determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9.~~ **IC 6-1.1-8-45.**

SECTION 55. IC 6-1.1-12.1-5.4, AS AMENDED BY P.L.8-2022, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction schedule with the person's personal property return on a form prescribed by the department of local government finance with the township assessor of the township in which the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located, or with the county assessor if there is no township assessor for the township. Except as provided in subsection (e), the deduction is applied in the amount claimed in a certified schedule that a person files with:

(1) a timely personal property return under IC 6-1.1-3-7(a) or IC 6-1.1-3-7(b); or

(2) a timely amended personal property return under IC 6-1.1-3-7.5.

The township or county assessor shall forward to the county auditor a copy of each certified deduction schedule filed under this subsection. The township assessor shall forward to the county assessor a copy of each certified deduction schedule filed with the township assessor under this subsection.

(b) The deduction schedule required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new farm

equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) The amount of the deduction claimed for the first year of the deduction.

(c) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall notify the designating body, and the designating body shall adopt a resolution under section 4.5(e)(2) of this chapter.

(d) A deduction schedule must be filed under this section in the year in which the new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The township assessor, or the county assessor if there is no township assessor for the township, may:

(1) review the deduction schedule; and

(2) before the assessment date that next succeeds the assessment date for which the deduction is claimed, deny or alter the amount of the deduction.

If the township or county assessor does not deny the deduction, the county auditor shall apply the deduction in the amount claimed in the deduction schedule or in the amount as altered by the township or county assessor. A township or county assessor who denies a deduction under this subsection or alters the amount of the deduction shall notify the person that claimed the deduction and the county auditor of the assessor's action. The county auditor shall notify the designating body and the county property tax assessment board of appeals of all deductions applied under this section.

(f) **Subject to subsection (j),** if the ownership of new manufacturing equipment, new farm equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment:

(A) in compliance with any standards established under section 2(g) of this chapter; and

(B) in the case of new farm equipment, on the same agricultural land for which the deduction applies; and

(2) files the deduction schedules required by this section.

(g) **Subject to subsection (j),** the amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) A person may appeal a determination of the township or county assessor under subsection (e) to deny or alter the amount of the deduction by requesting in writing a preliminary conference with the township or county assessor not more than forty-five (45) days after the township or county assessor gives the person notice of the determination. Except as provided in subsection (i), an appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(i) The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an appeal under subsection (h) of a determination by the county assessor.

(j) Notwithstanding any other provision of this chapter, a deduction shall not be allowed under this chapter for any business personal property that is totally exempt from property taxation under IC 6-1.1-10.4-4 beginning in 2032.

SECTION 56. IC 6-1.1-12.1-6, AS AMENDED BY P.L.181-2016, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 6. (a) A property owner may not receive a deduction under this chapter for repairs or improvements to real property if the property owner receives a deduction under either IC 6-1.1-12-18 (before its expiration) or IC 6-1.1-12-22 (before its expiration) for those same repairs or improvements. This subsection expires January 1, 2033.

(b) A property owner may not receive a deduction under this chapter if the property owner receives a deduction under IC 6-1.1-12-28.5 **(before its expiration)** for the same property.

SECTION 57. IC 6-1.1-17-3, AS AMENDED BY P.L.220-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimate by the department of local government finance under IC 6-1.1-20.6-11.1 of the amount by

which the political subdivision's distribution of property taxes will be reduced by credits under IC 6-1.1-20.6-9.5 in the ensuing year, after taking into account the estimate by the department of local government finance under section 0.7 of this chapter of the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year, and after taking into account all payments for debt service obligations that are to be made by the political subdivision during the ensuing year. The political subdivision or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter, shall submit the following information to the department's computer gateway:

(1) The estimated budget.

(2) The estimated maximum permissible levy, as provided by the department under IC 6-1.1-18.5-24.

(3) The current and proposed tax levies of each fund.

(4) The percentage change between the current and proposed tax levies of each fund.

(5) The amount by which the political subdivision's distribution of property taxes may be reduced by credits granted under IC 6-1.1-20.6, as estimated by the department of local government finance under IC 6-1.1-20.6-11.1.

(6) The amounts of excessive levy appeals to be requested.

(7) The time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on the items described in subdivisions (1) through (6).

(8) The amount of any increase in the tax rate and tax levies of the political subdivision in an ordinance adopted under section 23 of this chapter.

~~(8)~~ **(9)** The time and place at which the political subdivision or appropriate fiscal body will meet to fix the budget, tax rate, and levy under section 5 of this chapter.

~~(9)~~ **(10)** The date, time, and place of the final adoption of the budget, tax rate, and levy under section 5 of this chapter.

Except as provided in section 5.6(b) of this chapter, the political subdivision or appropriate fiscal body shall submit this information to the department's computer gateway at least ten (10) days before the public hearing required by this subsection in the manner prescribed by the department. If the date, time, or place of the final adoption subsequently changes, the political subdivision shall update the information submitted to the department's computer gateway. The department shall make this information available to taxpayers, at least ten (10) days before the public hearing, through its computer gateway

and provide a telephone number through which taxpayers may request mailed copies of a political subdivision's information under this subsection. The department's computer gateway must allow a taxpayer to search for the information under this subsection by the taxpayer's address. The department shall review only the submission to the department's computer gateway for compliance with this section.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

(1) in any county of the solid waste management district; and

(2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall, **subject to section 23 of this chapter,** adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(d) A political subdivision for which any of the information under subsection (a) is not submitted to the department's computer gateway in the manner prescribed by the department shall have its most recent annual appropriations and annual tax levy continued for the ensuing budget year.

(e) If a political subdivision or appropriate fiscal body timely submits the information under subsection (a) but subsequently discovers the information contains an error, the political subdivision or appropriate fiscal body may submit amended information to the department's computer gateway. However, submission of an amendment to information described in subsection (a)(1) through (a)(7) must occur at least ten (10) days before the public hearing held under subsection (a), and submission of an amendment to information described in subsection (a)(8) **through (a)(9)** must occur at least twenty-four (24) hours before the time in which the meeting to fix the budget, tax rate, and levy was originally advertised to commence.

(f) Each year, the governing body of a school corporation that imposes property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project under IC 6-1.1-20, property taxes under an operating referendum tax levy under IC 20-46-1, or property taxes under a school safety referendum tax levy under IC 20-46-9, shall submit the following information at least ten (10) days before the public hearing required by subsection (a) in the manner prescribed by

the department:

(1) the purposes specified in the public question submitted to the voters or any revenue spending plans adopted under IC 6-1.1-20-13, IC 20-46-1-8, or IC 20-46-9-6 for:

(A) debt service on bonds or lease rentals on a lease for a controlled project under IC 6-1.1-20;

(B) an operating referendum tax levy approved by the voters of the school corporation under IC 20-46-1; or

(C) a school safety referendum tax levy approved by the voters of the school corporation under IC 20-46-9;

as applicable; and

(2) the debt service levy fund, operating referendum tax levy fund, or school safety referendum tax levy fund of the school corporation, whichever is applicable;

to show whether the school corporation is using revenue collected from the referendum tax levy in the amounts and for the purposes established in the purposes specified in the public question submitted to the voters or the revenue spending plan, as applicable. The department shall make this information available to taxpayers at least ten (10) days before the public hearing.

SECTION 58. IC 6-1.1-17-16, AS AMENDED BY P.L.9-2024, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 16. (a) The department of local government finance shall certify the tax rates and tax levies for all funds of political subdivisions subject to the department of local government finance's review.

(b) For a fund of a political subdivision subject to levy limits under IC 6-1.1-18.5-3, the department of local government finance shall calculate and certify the allowable budget of the fund if the political subdivision adopts a tax levy that exceeds the estimated maximum levy limits as provided by the department of local government finance under IC 6-1.1-18.5-24.

(c) For a fund of a political subdivision subject to levy limits under IC 6-1.1-18.5-3 and for which the political subdivision adopts a tax levy that is not more than the levy limits under IC 6-1.1-18.5-3, the department of local government finance shall review the fund to ensure the adopted budget is fundable based on the unit's adopted tax levy and estimates of available revenues. If the adopted budget is fundable, the department of local government finance shall use the adopted budget as the approved appropriation for the fund for the budget year. As needed, the political subdivision may complete the additional appropriation process through IC 6-1.1-18-5 for these funds during the

budget year.

(d) For a fund of the political subdivision subject to levy limits under IC 6-1.1-18.5-3 and for which the political subdivision adopts a tax levy that is not more than the levy limits under IC 6-1.1-18.5-3, if the department of local government finance has determined the adopted budget is not fundable based on the unit's adopted tax levy and estimates of available revenues, the department of local government finance shall calculate and certify the allowable budget that is fundable based on the adopted tax levy and the department's estimates of available revenues.

(e) For all other funds of a political subdivision not described in subsections (b), (c), and (d), the department of local government finance shall certify a budget for the fund.

(f) Except as provided in section 16.1 of this chapter, the department of local government finance is not required to hold a public hearing before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section.

(g) Except as provided in subsection (l), IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision notification electronically in the manner prescribed by the department of local government finance specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ten (10) calendar days from the date the political subdivision receives the notice to provide a response electronically in the manner prescribed by the department of local government finance. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and

shall deliver a final decision to the political subdivision. The department of local government finance may not consider any adjustments that are suggested by the political subdivision after the expiration of the ten (10) day period allowed for the political subdivision's response.

(h) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

(1) no bonds of the building corporation are outstanding; or

(2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(i) The department of local government finance shall certify its action to:

(1) the county auditor;

(2) if the budget and levy of the political subdivision are being continued:

(A) the state board of accounts;

(B) the state comptroller; and

(C) the department of state revenue;

(3) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision; and

(4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(j) The following may petition for judicial review of the final determination of the department of local government finance under subsection (i):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (i).

(k) The department of local government finance is expressly directed to complete the duties assigned to it under this section as follows:

(1) Not later than December 31 of the year preceding that budget year, unless subdivision (2) applies.

(2) Not later than January 15 of the budget year if any of the

following are true:

(A) A taxing unit in a county intends to issue debt after December 1 in the year preceding the budget year and has indicated its intent to issue debt after December 1 in the year preceding the budget year as specified in section 5 of this chapter.

(B) A taxing unit intends to file a shortfall appeal under IC 6-1.1-18.5-16 and has indicated its intent to file a shortfall appeal as specified in section 5 of this chapter.

(C) The deadline for a city in the county to fix the budget, tax rate, and tax levy has been extended, in accordance with section 5.2 of this chapter, due to the executive's veto of the ordinance fixing the budget, tax rate, and tax levy.

(l) Subject to the provisions of all applicable statutes, and notwithstanding IC 6-1.1-18-1, the department of local government finance shall, unless the department finds extenuating circumstances, increase a political subdivision's tax levy to an amount that exceeds the amount originally advertised or adopted by the political subdivision if:

(1) the increase is requested in writing by the officers of the political subdivision;

(2) the request includes:

(A) the corrected budget, tax rate, or levy, as applicable; and

(B) the time and place of the meeting described in subdivision (4);

(3) the political subdivision publishes the requested increase on the department's advertising website;

(4) the political subdivision adopts the needed changes to its budget, tax levy, or rate in a public meeting of the governing body; and

(5) notice is given to the county fiscal body of the department's correction.

The political subdivision shall publish notice of the meeting described in subdivision (4) on the Indiana transparency website in the manner prescribed by the department not later than forty-eight (48) hours (excluding weekends and holidays) before the meeting. If the department increases a levy beyond what was advertised or adopted under this subsection, it shall, unless the department finds extenuating circumstances, reduce the certified levy affected below the maximum allowable levy by the lesser of five percent (5%) of the difference between the advertised or adopted levy and the increased levy, or one hundred thousand dollars ($100,000).

(m) If the department of local government finance has

determined that the proposed tax levy for a political subdivision's budget exceeds the permissible tax levy for the political subdivision under section 23 of this chapter, the department of local government finance shall calculate and certify the allowable tax levy and tax rate for the political subdivision based on the provisions in section 23 of this chapter.

SECTION 59. IC 6-1.1-17-17, AS AMENDED BY P.L.146-2008, SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 17. Subject to the limitations contained in IC 6-1.1-18.5 and IC 20-46, **and notwithstanding section 23 of this chapter,** the department of local government finance may at any time increase the tax rate and tax levy of a political subdivision for the following reasons:

(1) To pay the principal or interest upon a funding, refunding, or judgment funding obligation of a political subdivision.

(2) To pay the interest or principal upon an outstanding obligation of the political subdivision.

(3) To pay a judgment rendered against the political subdivision.

(4) To pay lease rentals that have become an obligation of the political subdivision under IC 20-47-2 or IC 20-47-3.

SECTION 60. IC 6-1.1-17-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 23. (a) This section applies beginning after December 31, 2028, to the formulation and adoption of a budget, tax rate, and tax levy under this chapter.**

(b) Notwithstanding any growth in a political subdivision's assessed value in the previous year, the ad valorem property tax levy for the budget of a political subdivision shall not exceed the ad valorem property tax levy for its last preceding annual budget, except as provided in subsections (c) and (d).

(c) The fiscal body of a political subdivision may by ordinance authorize the proper officers of the political subdivision to formulate and submit a budget, tax rate, and tax levy under section 3 of this chapter that exceeds the ad valorem property tax levy restriction in subsection (b), subject to all other limits under this article, if the following conditions are met:

(1) The fiscal body of the political subdivision must hold a public hearing at which the only item on the agenda is the proposal to adopt an ordinance under this subsection. The hearing shall be conducted in accordance with IC 5-14-1.5, and notice of the hearing shall be published in accordance with IC 5-3-1.

(2) After conducting a public hearing under subdivision (1) and subject to subdivision (3), the fiscal body of the political subdivision may adopt an ordinance under this subsection, which must contain:

(A) a general statement of the reasons for the tax levy and tax rate increase;

(B) the dollar amount of the tax levy increase; and

(C) the percentage increase in the tax rate from the previous year.

(3) An ordinance may not be adopted under this section after the date that is fifteen (15) days before the public hearing under section 3 of this chapter.

(d) If an ordinance is adopted by the fiscal body of a political subdivision under subsection (c), the limitation in subsection (b) shall not apply and instead the ad valorem property tax levy for the budget of the political subdivision shall not exceed the sum of:

(1) the ad valorem property tax levy for the political subdivision's last preceding annual budget; plus

(2) the additional ad valorem property tax levy authorized in the ordinance adopted by the fiscal body under subsection (c);

subject to all other limits under this article.

(e) The provisions of this section shall be applied to decrease the tax rate of each political subdivision in which there was an increase in the political subdivision's assessed value in the previous year, subject to subsections (c) and (d).

SECTION 61. IC 6-1.1-18.5-2, AS AMENDED BY P.L.239-2023, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) Except as provided in subsections (c) and (e), for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the maximum levy growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana

nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

(c) Except as provided in subsection (f), a school corporation shall use for its operations fund maximum levy calculation under IC 20-46-8-1 the maximum levy growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine for each school corporation, the average annual growth in net assessed value using the three (3) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year.

STEP TWO: Determine the greater of:

(A) zero (0); or

(B) the STEP ONE amount minus the sum of:

(i) the maximum levy growth quotient determined under subsection (b) minus one (1); plus

(ii) two-hundredths (0.02).

STEP THREE: Determine the lesser of:

(A) the STEP TWO amount; or

(B) four-hundredths (0.04).

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the maximum levy growth quotient determined under subsection (b).

STEP FIVE: Determine the greater of:

(A) the STEP FOUR amount; or

(B) the maximum levy growth quotient determined under subsection (b).

(d) The budget agency shall provide the maximum levy growth quotient for the ensuing year to civil taxing units, school corporations, and the department of local government finance before July 1 of each year.

(e) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a civil taxing unit's maximum permissible ad valorem property tax levy in calendar years 2024, ~~and~~ 2025, **and 2026.** For purposes of determining the

maximum levy growth quotient in calendar years 2024, ~~and~~ 2025, **and 2026,** instead of the result determined in the last STEP in subsection (b), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

STEP ONE: Determine the result of STEP FOUR of subsection (b), calculated as if this subsection was not in effect.

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

STEP THREE: Multiply the STEP TWO result by eight-tenths (0.8).

STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Determine the lesser of:

(A) the STEP FOUR result; or

(B) one and four-hundredths (1.04).

(f) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a school corporation's operations fund maximum levy in calendar years 2024, ~~and~~ 2025, **and 2026.** For purposes of determining the maximum levy growth quotient in calendar years 2024, ~~and~~ 2025, **and 2026,** instead of the result determined in the last STEP in subsection (c), the maximum levy growth quotient is determined in the last STEP of the following STEPS:

STEP ONE: Determine the result of STEP FIVE of subsection (c), calculated as if this subsection was not in effect.

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

STEP THREE: Multiply the STEP TWO result by eight-tenths (0.8).

STEP FOUR: Add one (1) to the STEP THREE result.

STEP FIVE: Determine the lesser of:

(A) the STEP FOUR result; or

(B) one and four-hundredths (1.04).

SECTION 62. IC 6-1.1-18.5-3, AS AMENDED BY P.L.247-2017, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 3. (a) A civil taxing unit may not impose an ad valorem property tax levy for an ensuing calendar year that exceeds the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year.

STEP TWO: Multiply the amount determined in STEP ONE by the amount determined in the last STEP of section 2(b) of this chapter.

STEP THREE: Determine the lesser of one and fifteen hundredths

(1.15) or the quotient (rounded to the nearest ten-thousandth (0.0001)), of the assessed value of all taxable property subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year, divided by the assessed value of all taxable property that is subject to the civil taxing unit's ad valorem property tax levy for the ensuing calendar year and that is contained within the geographic area that was subject to the civil taxing unit's ad valorem property tax levy in the preceding calendar year.

STEP FOUR: Determine the greater of the amount determined in STEP THREE or one (1).

STEP FIVE: Multiply the amount determined in STEP TWO by the amount determined in STEP FOUR.

STEP SIX: Add the amount determined under STEP TWO to the amount of an excessive levy appeal granted under section 13 of this chapter for the ensuing calendar year.

STEP SEVEN: Determine the greater of STEP FIVE or STEP SIX.

~~(b) This subsection applies only to a civil taxing unit that is located in a county that is covered by IC 6-3.6-11-1. For purposes of subsection (a), revenue under IC 6-3.6-6 that is applied for purposes of a levy freeze shall not be included in the amount determined under STEP ONE of subsection (a) for the civil taxing unit. Notwithstanding any provision in this section, any other section of this chapter, or IC 12-20-21-3.2, and except as provided in subsection (c), if the adopting body has adopted a resolution specifying that any increase in the maximum levy is to be funded using local income tax revenue, the maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year for the civil taxing unit is equal to the civil taxing unit's maximum permissible ad valorem property tax levy for the current calendar year. If the adopting body has adopted a resolution specifying that any increase in the maximum levy is not to be funded using local income tax revenue, the maximum permissible ad valorem property tax levy for the civil taxing unit is equal to the civil taxing unit's maximum permissible ad valorem property tax levy calculated under this section for the ensuing calendar year.~~

~~(c) In the case of a civil taxing unit that:~~

~~(1) is partially located in a county that is covered by IC 6-3.6-11-1; and~~

~~(2) is partially located in a county that is not described in subdivision (1);~~

~~the department of local government finance shall, notwithstanding subsection (b), adjust the portion of the civil taxing unit's maximum permissible ad valorem property tax levy that is attributable (as determined by the department of local government finance) to the county or counties described in subdivision (2). The department of local government finance shall adjust this portion of the civil taxing unit's maximum permissible ad valorem property tax levy so that, notwithstanding subsection (b), this portion is allowed to increase as otherwise provided in this section. If the department of local government finance increases the civil taxing unit's maximum permissible ad valorem property tax levy under this subsection, any additional property taxes imposed by the civil taxing unit under the adjustment shall be paid only by the taxpayers in the county or counties described in subdivision (2).~~

(b) In the case of a county that was covered by IC 6-3.6-11-1 (before its repeal), the maximum permissible property tax levy for the civil taxing unit under STEP ONE of subsection (a) shall be increased to the extent and in the amount that revenue from a levy freeze was applied to adjust the civil taxing unit's maximum permissible property tax levy in the tax year immediately preceding the repeal of IC 6-3.6-11-1. The increase shall apply to each tax year after the repeal. Notwithstanding any other provision of law, if a county has a stabilization fund, the county may use money from that fund for operations of the county in lieu of levy increases pursuant to this subsection. A county to which this subsection applies shall adopt a plan to phase in a multi-year gradual spend down of money in its stabilization fund or other available funds over a specified number of years that allows for the gradual increase of the county's levy in combination with money from its stabilization fund.

SECTION 63. IC 6-1.1-18.5-12, AS AMENDED BY P.L.156-2024, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 12. (a) Any civil taxing unit that **incurs increased costs resulting from annexation, a natural disaster, an accident, or another unanticipated emergency, and** determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 or 25 of this chapter, as applicable, may, subject to subsections (h) and (i):

(1) before October 20 of the calendar year immediately preceding the ensuing calendar year; or

(2) in the case of a request described in section 16 of this chapter, before December 31 of the calendar year immediately preceding

the ensuing calendar year;

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

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

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

(d) If an officer or member:

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

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

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

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

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

(g) The fiscal officer of a civil taxing unit that appeals under section 16 of this chapter for relief from levy limitations shall immediately file

a copy of the appeal petition with the county auditor and the county treasurer of the county in which the unit is located.

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

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

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

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

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

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

SECTION 64. IC 6-1.1-18.5-13, AS AMENDED BY P.L.174-2022, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 13. ~~(a)~~ With respect to an appeal filed under section 12 of this chapter, the department may find that a civil taxing unit should receive ~~any one (1) or more of the following types of~~ **the following** relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 or 25 of this chapter, as applicable, if in the judgment of the department the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation. ~~consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year,~~ If those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

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

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

~~(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 or 25 of this chapter, as applicable, if the department finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):~~

~~STEP ONE: Determine the three (3) calendar years that most~~

~~immediately precede the ensuing calendar year.~~

~~STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.~~

~~STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).~~

~~STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.~~

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

~~STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.~~

~~The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 or 25 of this chapter, as applicable, based on the maximum levy growth quotient determined under section 2 of this chapter.~~

~~(3)~~ **(2)** ~~A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008.~~ Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 or 25 of this chapter, as applicable, if **the department determines that** the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 or 25 of this chapter, as applicable, due to a natural disaster, an accident, or another unanticipated emergency.

~~(b) The department of local government finance shall increase the maximum permissible ad valorem property tax levy under section 3 of this chapter for the city of Goshen for 2012 and thereafter by an amount equal to the greater of zero (0) or the result of:~~

~~(1) the city's total pension costs in 2009 for the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7); minus~~

~~(2) the sum of:~~

~~(A) the total amount of state funds received in 2009 by the city and used to pay benefits to members of the 1925 police pension fund (IC 36-8-6) or the 1937 firefighters' pension fund (IC 36-8-7); plus~~

~~(B) any previous permanent increases to the city's levy that were authorized to account for the transfer to the state of the responsibility to pay benefits to members of the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7).~~

SECTION 65. IC 6-1.1-18.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 19. (a) If a township levied an ad valorem property tax levy for a township firefighting fund under IC 36-8-13-4 for calendar year 1989, the maximum permissible ad valorem property tax levy that will apply to the township's firefighting fund under section 3 of this chapter for calendar year 1990 is the amount determined in STEP FIVE of the following STEPS:

STEP ONE: Determine the part of the township's ad valorem property tax levy for calendar year 1989 that was dedicated to the township firefighting fund.

STEP TWO: If the township incurred any loans or bonded indebtedness to pay for fire protection or emergency services during the period from January 1, 1987, through December 31, 1989 (excluding loans or bonded indebtedness used to purchase firefighting apparatus or equipment or housing), determine the number of calendar years during that period in which the township incurred the loans or bonded indebtedness.

STEP THREE: Calculate the quotient of:

(A) the total amounts of loans or bonded indebtedness incurred by the township for fire protection and emergency services during the period from January 1, 1987, through December 31, 1989 (excluding loans or bonded indebtedness used to purchase firefighting apparatus or equipment or housing); divided by

(B) the number determined in STEP TWO.

STEP FOUR: Add the result determined in STEP ONE to the result determined in STEP THREE.

STEP FIVE: Calculate the maximum ad valorem property tax levy that would result from making the calculations contained in section 3 of this chapter as those calculations apply to the township, using the result obtained in STEP FOUR for the civil taxing unit's maximum permissible ad valorem property tax levy

for the preceding calendar year under section 3(a) or 3(b) of this chapter **(as in effect at the time of the calculation),** whichever applies to the township.

If the amount determined under this subsection is substantially lower than the township's normal expenditure patterns for fire protection and emergency services (excluding the expenditures for the purchase of firefighting apparatus or equipment or housing), the township may appeal to the local government tax control board for an increase in the 1990 maximum permissible ad valorem property tax levy for its township firefighting fund. In considering the appeal, the local government tax control board shall consider other sources of revenue used by the township during calendar year 1989 to fund fire protection and emergency services that are also available for such funding in 1990 and thereafter and the board shall also consider any other relevant factors.

(b) If a township did not have a township firefighting fund under IC 36-8-13-4 for calendar year 1989, but appropriated funds for fire protection or emergency services for that calendar year, the township's maximum ad valorem property tax levy that will apply to the township's firefighting fund under section 3 of this chapter for calendar year 1990 is the amount determined in STEP FIVE of the following STEPS:

STEP ONE: Determine the amount that the township appropriated from its general fund for fire protection and emergency services (excluding appropriations for the purchase of firefighting apparatus or equipment or housing).

STEP TWO: If the township incurred any loans or bonded indebtedness to pay for fire protection or emergency services during the period from January 1, 1987, through December 31, 1989 (excluding loans or bonded indebtedness used to purchase firefighting apparatus or equipment or housing), determine the number of calendar years during that period in which the township incurred the loans or bonded indebtedness.

STEP THREE: Calculate the quotient of:

(A) the total amounts of loans or bonded indebtedness incurred by the township for fire protection and emergency services during the period from January 1, 1987, through December 31, 1989 (excluding loans or bonded indebtedness used to purchase firefighting apparatus or equipment or housing); divided by

(B) the number determined in STEP TWO.

STEP FOUR: Add the result of STEP ONE to the result of STEP THREE.

STEP FIVE: Calculate the maximum ad valorem property tax levy that would result from making the calculations contained in section 3 of this chapter, as those calculations apply to the township, using the result obtained in STEP FOUR for the civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year under section 3(a) or 3(b) of this chapter **(as in effect at the time of the calculation),** whichever applies to the township.

If the amount determined under this subsection is substantially lower than the township's normal expenditure patterns for fire protection and emergency services (excluding the expenditures for the purchase of firefighting apparatus or equipment or housing), the township may appeal to the local government tax control board for an increase in its 1990 maximum permissible levy for its township firefighting fund. In considering the appeal, the local government tax control board shall consider other sources of revenue used by the township during calendar year 1989 to fund fire protection and emergency services that are also available for such funding in 1990 and thereafter and the board shall also consider any other relevant factors.

(c) If for calendar year 1989:

(1) a township had a township firefighting fund under IC 36-8-13-4 but did not have an ad valorem property tax levy for that fund; or

(2) a township did not have a township firefighting fund and appropriated no money for fire protection or emergency services;

the township's maximum permissible ad valorem property tax levy for its township firefighting fund shall be determined under section 7 of this chapter in the calendar year in which the township first establishes such a levy.

SECTION 66. IC 6-1.1-18.5-25, AS AMENDED BY P.L.236-2023, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 25. (a) The ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to a municipality in a year if all the following apply:

(1) The percentage growth in the municipality's assessed value for the preceding year compared to the year before the preceding year is at least two (2) times the maximum levy growth quotient determined under section 2 of this chapter for the preceding year.

(2) The municipality's population increased by at least one hundred fifty percent (150%) between the last two (2) decennial censuses. The computation of an increase of one hundred fifty percent (150%) under this subdivision shall be determined

according to the last STEP of the following STEPS:

STEP ONE: Determine the municipality's population as tabulated following the first decennial census.

STEP TWO: Determine the municipality's population as tabulated following the second decennial census.

STEP THREE: Multiply the amount determined under STEP ONE by a factor of two and five-tenths (2.5).

STEP FOUR: Determine whether the population determined under STEP TWO is greater than or equal to the STEP THREE product.

(b) A municipality that meets all the requirements under subsection (a) may increase its ad valorem property tax levy in excess of the limits imposed under section 3 of this chapter by a percentage equal to the lesser of:

(1) the percentage growth in the municipality's assessed value for the preceding year compared to the year before the preceding year; or

(2) six percent (6%).

(c) A municipality's maximum levy growth that results from either annexation or the pass through of assessed value from a tax increment financing district may not be included for the purposes of determining a municipality's maximum levy growth under this section.

(d) This section applies to property tax levies imposed after December 31, 2016, **and before January 1, 2026.**

(e) This section expires December 31, 2026.

SECTION 67. IC 6-1.1-20-1.1, AS AMENDED BY P.L.136-2024, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1.1. (a) As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or (before January 1, 2009) IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) Subject to subsection (b), a project that will not cost the political subdivision more than the lesser of the following:

(A) An amount equal to the following:

(i) In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, two million dollars ($2,000,000).

(ii) In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, five million dollars ($5,000,000).

(iii) In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the amount determined under this clause for the preceding calendar year.

The department of local government finance shall publish the threshold determined under item (iii) in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(B) An amount equal to the following:

(i) One percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars ($100,000,000).

(ii) One million dollars ($1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars ($100,000,000).

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that:

(A) is required by a court order holding that a federal law mandates the project; or

(B) is in response to a court order holding that:

(i) a federal law has been violated; and

(ii) the project is to address the deficiency or violation.

(6) A project that is in response to:

(A) a natural disaster;

(B) an accident; or

(C) an emergency;

in the political subdivision that makes a building or facility unavailable for its intended use.

(7) A project that was not a controlled project under this section as in effect on June 30, 2008, and for which:

(A) the bonds or lease for the project were issued or entered into before July 1, 2008; or

(B) the issuance of the bonds or the execution of the lease for the project was approved by the department of local government finance before July 1, 2008.

(8) A project of the Little Calumet River basin development commission for which bonds are payable from special assessments collected under IC 14-13-2-18.6.

(9) A project for engineering, land and right-of-way acquisition, construction, resurfacing, maintenance, restoration, and rehabilitation exclusively for or of:

(A) local road and street systems, including bridges that are designated as being in a local road and street system;

(B) arterial road and street systems, including bridges that are designated as being in an arterial road and street system; or

(C) any combination of local and arterial road and street systems, including designated bridges.

(b) This subsection does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before July 1, 2023, **or to a project for which an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease is adopted after December 31, 2025.** If:

(1) a political subdivision's total debt service tax rate is more than forty cents ($0.40) per one hundred dollars ($100) of assessed value; and

(2) subsection (a)(1) and subsection (a)(3) through (a)(9) are not applicable;

the term includes any project to be financed by bonds or a lease, including a project that does not otherwise meet the threshold amount provided in subsection (a)(2). This subsection expires December 31, 2025. For purposes of this subsection, a political subdivision's total debt service tax rate does not include a tax rate imposed in a

referendum debt service tax levy approved by voters.

(c) This subsection applies to a project for which an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease is adopted after December 31, 2025. If subsection (a)(1) and subsection (a)(3) through (a)(9) are not applicable, the term includes any project to be financed by bonds or a lease, including a project that does not otherwise meet the threshold amount provided in subsection (a)(2), if:

(1) in the case of a school corporation, the school corporation's total debt service tax rate is more than forty cents ($0.40) per one hundred dollars ($100) of assessed value;

(2) in the case of a city, county, or town, the city's, county's, or town's total debt service tax rate is more than twenty-five cents ($0.25) per one hundred dollars ($100) of assessed value; or

(3) in the case of a political subdivision not described in subdivision (1) or (2), the political subdivision's total debt service tax rate is more than five cents ($0.05) per one hundred dollars ($100) of assessed value.

However, this subsection does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before January 1, 2026. For purposes of this subsection, a political subdivision's total debt service tax rate does not include a tax rate imposed in a referendum debt service tax levy approved by voters.

SECTION 68. IC 6-1.1-20-3.1, AS AMENDED BY P.L.136-2024, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.1. (a) Subject to section 3.5(a)(1)(C) of this chapter, this section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 12; and

(C) will not cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1,

2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars ($10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars ($15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars ($1,000,000,000), or ten million dollars ($10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars ($1,000,000,000).

(3) Any other controlled project that:

(A) is not a controlled project described in subdivision (1) or (2); and

(B) will not cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars ($12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary

determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars ($15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars ($100,000,000), or one million dollars ($1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars ($100,000,000).

(4) A controlled project funded by debt service if the scope of the project changes from the purpose of the project initially advertised to taxpayers as determined under section 4.2(c) of this chapter.

(5) This subdivision does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before July 1, 2023, **or to a project for which an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease is adopted after December 31, 2025.** Any other controlled project if both of the following apply:

(A) The political subdivision's total debt service tax rate is more than forty cents ($0.40) per one hundred dollars ($100) of assessed value, but less than eighty cents ($0.80) per one hundred dollars ($100) of assessed value.

(B) The controlled project is not otherwise described in section

3.5(a)(1) of this chapter.

This subdivision expires December 31, 2025. For purposes of this subdivision, a political subdivision's total debt service tax rate does not include a tax rate imposed in a referendum debt service levy approved by voters.

(6) Any other controlled project if the following apply:

(A) An ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project is adopted after December 31, 2025.

(B) The controlled project is not otherwise described in section 3.5(a)(1) of this chapter.

(C) In the case of a:

(i) school corporation, the school corporation's total debt service tax rate is more than forty cents ($0.40) per one hundred dollars ($100) of assessed value, but not more than seventy cents ($0.70) per one hundred dollars ($100) of assessed value;

(ii) city, county, or town, the city's, county's, or town's total debt service tax rate is more than twenty-five cents ($0.25) per one hundred dollars ($100) of assessed value, but not more than forty cents ($0.40) per one hundred dollars ($100) of assessed value; or

(iii) political subdivision not described in item (i) or (ii), the political subdivision's total debt service tax rate is more than five cents ($0.05) per one hundred dollars ($100) of assessed value, but not more than ten cents ($0.10) per one hundred dollars ($100) of assessed value.

However, this subdivision does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before January 1, 2026. For purposes of this subdivision, a political subdivision's total debt service tax rate does not include a tax rate imposed in a referendum debt service tax levy approved by voters.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to

issue bonds or enter into a lease and shall conduct at least two (2) public hearings on a preliminary determination before adoption of the resolution or ordinance. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(H).

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for a controlled project, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or

lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 (repealed) before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The following information:

(i) The political subdivision's current debt service levy and rate.

(ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(I) The information specified in subdivision (1)(A) through (1)(B).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the

petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter

registration office shall, not more than fifteen (15) business days after receiving a petition, forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property, or a combination of those types of property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any

other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled

project in order to avoid the requirements of this section and section 3.2 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision shall fulfill the requirements of this section and section 3.2 of this chapter, if applicable, regardless of the cost of the project in dispute. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.2 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

SECTION 69. IC 6-1.1-20-3.5, AS AMENDED BY P.L.136-2024, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that will be used for any combination of kindergarten through grade 12 and will cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars ($10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars ($15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding

calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars ($1,000,000,000), or ten million dollars ($10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars ($1,000,000,000).

(B) Any other controlled project that is not a controlled project described in clause (A) and will cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars ($12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars ($15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under

IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars ($100,000,000), or one million dollars ($1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars ($100,000,000).

(C) Any other controlled project for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, if the sum of:

(i) the cost of that controlled project; plus

(ii) the costs of all other controlled projects for which the political subdivision has previously adopted within the preceding three hundred sixty-five (365) days an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for those other controlled projects;

exceeds twenty-five million dollars ($25,000,000).

(D) A controlled project funded by debt service if the scope of the project changes from the purpose of the project initially advertised to taxpayers as determined under section 4.3(c) of this chapter.

(E) This clause does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before July 1, 2023, **or to a project for which an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease is adopted after December 31, 2025.** Except as provided in section 4.5 of this chapter, any other controlled project if the political subdivision's total debt service tax rate is at least eighty cents ($0.80) per one hundred dollars ($100) of assessed value. This clause expires December 31, 2025. For purposes of this clause, a political subdivision's total debt service tax rate does not include a tax rate imposed in a referendum debt service tax levy approved by voters.

(F) Except as provided in section 4.5 of this chapter, any other project for which an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease is adopted after December 31, 2025, if:

(i) in the case of a school corporation, the school corporation's total debt service tax rate is more than seventy cents ($0.70) per one hundred dollars ($100) of assessed value;

(ii) in the case of a city, county, or town, the city's, county's, or town's total debt service tax rate is more than forty cents ($0.40) per one hundred dollars ($100) of assessed value; or

(iii) in the case of a political subdivision not described in item (i) or (ii), the political subdivision's total debt service tax rate is more than ten cents ($0.10) per one hundred dollars ($100) of assessed value.

However, this clause does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before January 1, 2026. For purposes of this clause, a political subdivision's total debt service tax rate does not include a tax rate imposed in a referendum debt service tax levy approved by voters.

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) Subject to subsection (d), a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net

assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(G).

(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to annually incur to operate the facility.

(G) The following information:

(i) The political subdivision's current debt service levy and rate.

(ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political

subdivision issues the bonds or enters into the lease.

(iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(H) The information specified in subdivision (1)(A) through (1)(B).

(4) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

(A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to

pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the

political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or**

subsection (a)(1)(F). The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) This subdivision does not apply to a controlled project described in subsection (a)(1)(E) (before its expiration) **or subsection (a)(1)(F).** If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter.

(d) In addition to the procedures in subsection (b), if any capital improvement components addressed in the most recent:

(1) threat assessment of the buildings within the school corporation; or

(2) school safety plan (as described in IC 20-26-18.2-2(b));

concerning a particular school have not been completed or require additional funding to be completed, before the school corporation may impose property taxes to pay debt service on bonds or lease rentals for a lease for a controlled project, and in addition to any other components of the controlled project, the controlled project must include any capital improvements necessary to complete those components described in subdivisions (1) and (2) that have not been completed or that require additional funding to be completed.

(e) In addition to the other procedures in this section, an ordinance or resolution making a preliminary determination to issue bonds or

enter into leases that is considered for adoption must include a statement of:

(1) the maximum annual debt service for the controlled project for each year in which the debt service will be paid; and

(2) the schedule of the estimated annual tax levy and rate over a ten (10) year period;

factoring in changes that will occur to the debt service levy and tax rate during the period on account of any outstanding bonds or lease obligations that will mature or terminate during the period.

SECTION 70. IC 6-1.1-20-3.6, AS AMENDED BY P.L.136-2024, SECTION 25, AND AS AMENDED BY P.L.156-2024, SECTION 17, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8 of this chapter, this section applies only to a controlled project described in section 3.5(a) of this chapter.

(b) In the case of a controlled project:

(1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of this chapter, if a sufficient petition requesting the application of the local public question process has been filed as set forth in section 3.5 of this chapter; or

(2) described in section ~~*3.5(a)(1)(D)*~~ *3.5(a)(1)(E)* **(before its expiration) or 3.5(a)(1)(F)** of this chapter; ~~(before its expiration),~~

a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

(c) Except as provided in subsection (k), the following question shall be submitted to the eligible voters at the election conducted under this section:

~~"Shall _____ (insert the name of the political subdivision) increase property taxes paid to the _____ (insert the type of taxing unit) by homeowners and businesses? If this public question is approved by the voters, the average property tax paid to the _____ (insert the type of taxing unit) per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a residence within the political subdivision as determined under subsection (n)) and the average property tax paid to the _____ (insert the type of taxing unit) per year on a~~

~~business property would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a business property within the political subdivision as determined under subsection (o)). The political subdivision may issue bonds or enter into a lease to _____ (insert a brief description of the controlled project), which is estimated to cost _____ (insert the total cost of the project) over _____ (insert number of years to bond maturity or termination of lease) years. The most recent property tax referendum within the boundaries of the political subdivision for which this public question is being considered was proposed by _____ (insert name of political subdivision) in _____ (insert year of most recent property tax referendum) and _____ (insert whether the measure passed or failed).".~~

"Shall _____ (insert the name of the political subdivision) increase property taxes paid to the _____ (insert the type of political subdivision) for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding _____ (insert a brief description of the project use or purpose) for which the principal debt amount for the project will cost no more than _____ (insert the total cost of the project principal amount) and the financing cost including interest and fees will cost no more than an additional _____ (insert the total financing costs including interest and fees) and is estimated to increase the property taxes paid to the _____ (insert the type of political subdivision) by imposing a property tax rate that results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy). If this capital referendum public question is approved by the voters, for a median residence of _____ (insert the political subdivision's median household assessed value, rounded up to the next fifty thousand dollars ($50,000)), the property's annual property tax bill would increase by _____ (insert dollar amount, rounded up to the next whole dollar) per year.".

The public question must appear on the ballot in the form approved by the county election board. If the political subdivision proposing to issue bonds or enter into a lease is located in more than one (1) county, the county election board of each county shall jointly approve the form of the public question that will appear on the ballot in each county. The form approved by the county election board may differ from the

language certified to the county election board by the county auditor. If the county election board approves the language of a public question under this subsection, the county election board shall submit the language and the certification of the county auditor ~~described in subsection (p)~~ to the department of local government finance for review.

(d) The department of local government finance shall review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. ~~The department of local government finance shall post the estimated average percentage of property tax increases to be paid to a political subdivision on a residence and business property that are certified by the county auditor under subsection (p) on the department's *Internet web site.* website.~~ The department of local government finance may either approve the ballot language as submitted or recommend that the ballot language be modified as necessary to ensure that the description of the controlled project is accurate and is not biased. The department of local government finance shall certify its approval or recommendations to the county auditor and the county election board not more than ten (10) days after ~~*both the certification of the county auditor described in subsection (p) and*~~ the language of the public question *is* ~~*are*~~ submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional modifications. The public question may not be certified by the county auditor under subsection (e) unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.

(e) The county auditor shall certify the finally approved public question ~~under IC 3-10-9-3~~ to the county election board of each county in which the political subdivision is located. The certification must occur not later than noon **August 1.**

~~(1) seventy-four (74) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or~~

~~(2) August 1 if the public question is to be placed on the general or municipal election ballot.~~

Subject to the certification requirements and deadlines under this

subsection and except as provided in subsection (j), the public question shall be placed on the ballot at the next ~~primary election;~~ general election. ~~or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon seventy-four (74) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). The fiscal body of the political subdivision that requests the special election shall pay the costs of holding the special election. The county election board shall give notice under IC 5-3-1 of a special election conducted under this subsection. A special election conducted under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.~~

(f) The circuit court clerk shall certify the results of the public question to the following:

(1) The county auditor of each county in which the political subdivision is located.

(2) The department of local government finance.

(g) Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the eligible voters voting on the public question vote in favor of the public question.

(h) If a majority of the eligible voters voting on the public question vote in opposition to the public question, both of the following apply:

(1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.

(2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than:

(A) except as provided in clause (B), seven hundred (700) days after the date of the public question; or

(B) three hundred fifty (350) days after the date of the election, if a petition that meets the requirements of subsection (m) is submitted to the county auditor.

(i) IC 3, to the extent not inconsistent with this section, applies to an

election held under this section.

(j) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project into two (2) or more capital projects in order to avoid the requirements of this section and section 3.5 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision under section 3.5 of this chapter or a determination under section 5 of this chapter to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision may appeal the determination of the department of local government finance to the Indiana board of tax review. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.5 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

(k) This subsection applies to a political subdivision for which a petition requesting a public question has been submitted under section 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of the political subdivision may adopt a resolution to withdraw a controlled project from consideration in a public question. If the legislative body provides a certified copy of the resolution to the county auditor and the county election board not later than sixty-three (63) days before the election at which the public question would be on the

ballot, the public question on the controlled project shall not be placed on the ballot and the public question on the controlled project shall not be held, regardless of whether the county auditor has certified the public question to the county election board. If the withdrawal of a public question under this subsection requires the county election board to reprint ballots, the political subdivision withdrawing the public question shall pay the costs of reprinting the ballots. If a political subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than three hundred fifty (350) days after the date the resolution withdrawing the public question is adopted.

(l) If a public question regarding a controlled project is placed on the ballot to be voted on at an election under this section, the political subdivision shall submit to the department of local government finance, at least thirty (30) days before the election, the following information regarding the proposed controlled project for posting on the department's ~~*Internet web site:*~~ *website:*

(1) The cost per square foot of any buildings being constructed as part of the controlled project.

(2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.

(3) The maximum term of the bonds or lease.

(4) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(5) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(6) The purpose of the bonds or lease.

(7) In the case of a controlled project proposed by a school corporation:

(A) the current and proposed square footage of school building space per student;

(B) enrollment patterns within the school corporation; and

(C) the age and condition of the current school facilities.

(m) If a majority of the eligible voters voting on the public question

vote in opposition to the public question, a petition may be submitted to the county auditor to request that the limit under subsection (h)(2)(B) apply to the holding of a subsequent public question by the political subdivision. If such a petition is submitted to the county auditor and is signed by the lesser of:

(1) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(2) five percent (5%) of the registered voters residing within the political subdivision;

the limit under subsection (h)(2)(B) applies to the holding of a second public question by the political subdivision and the limit under subsection (h)(2)(A) does not apply to the holding of a second public question by the political subdivision.

~~(n) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:~~

~~STEP ONE: Determine the average assessed value of a homestead located within the political subdivision.~~

~~STEP TWO: For purposes of determining the net assessed value of the average homestead located within the political subdivision, subtract:~~

~~(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and~~

~~(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;~~

~~from the result of STEP ONE.~~

~~STEP THREE: Divide the result of STEP TWO by one hundred (100).~~

~~STEP FOUR: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the political subdivision.~~

~~STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the political subdivision:~~

~~(A) multiply the result of STEP THREE by the result of STEP FOUR; and~~

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the political subdivision's part of the result determined in STEP FIVE.

STEP SEVEN: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP EIGHT: Multiply the result of STEP SEVEN by the result of STEP THREE.

STEP NINE: Divide the result of STEP EIGHT by the result of STEP SIX, expressed as a percentage.

(o) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of business property located within the political subdivision.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the political subdivision:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the political subdivision's part of the result determined in STEP FOUR.

STEP SIX: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Multiply the result of STEP TWO by the result of STEP SIX.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP FIVE, expressed as a percentage.

~~(p) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision determined under subsection (n), and the estimated average percentage of property tax increase on a business property to be paid to the political subdivision determined under subsection (o), in a manner prescribed by the department of local government finance, and provide the certification to the political subdivision that proposes to impose property taxes. The political subdivision shall provide the certification to the county election board and include the estimated average percentages in the language of the public question at the time the language of the public question is submitted to the county election board for approval as described in subsection (c).~~

SECTION 71. IC 6-1.1-20-4.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 4.1. This section applies to all school corporations. During the calendar year immediately succeeding the final calendar year in which a school corporation's previously approved controlled project referendum tax levy is imposed under this chapter, the school corporation may not adopt a resolution under section 3.5 of this chapter making a preliminary determination to issue bonds or enter into a lease or adopt a resolution to extend a referendum tax levy under this chapter.**

SECTION 72. IC 6-1.1-20-4.3, AS ADDED BY P.L.136-2024, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.3. (a) This section applies only if, with respect to a particular controlled project that fulfilled the referendum process under sections 3.5 and 3.6 of this chapter, the political subdivision subsequently changes the scope of the controlled project beyond that initially presented.

(b) Notwithstanding any other provision in this chapter, if at least ten (10) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision file a petition with the proper officers of the political subdivision contending that the scope of a controlled project has changed from how it was initially presented, the proper officers of the political subdivision shall hold a public hearing to determine whether any change in scope is significant enough to warrant a new referendum process. A petition under this subsection must be filed not later than one (1) year after the controlled project received final approval.

(c) Notwithstanding any other provision in this chapter, if it is determined at the hearing described in subsection (b) that the political

subdivision has subsequently changed the scope of a controlled project beyond that initially presented as described in subsection (a), the following procedures apply:

(1) A petition requesting the application of the local public question process under this section may be filed using, and in compliance with, the provisions that initially applied to the particular controlled project under section 3.5 of this chapter. For purposes of this subdivision, the relevant provisions in section 3.5 of this chapter shall be construed in a manner consistent with this section.

(2) If a sufficient petition requesting the application of the local public question process for purposes of this section has been filed under subdivision (1), the following question shall be submitted to the eligible voters at the election conducted under this section: ~~"On _____ (insert date) the voters approved a public question to increase property taxes paid to the _____ (insert the type of taxing unit) by homeowners and businesses. The political subdivision has determined that the scope of the project for which the pubic question was placed on the ballot has changed beyond that initially presented. To fund the increase in the scope of the project, the average property tax paid to the _____ (insert the type of taxing unit) per year on a residence is estimated to increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a residence within the political subdivision) and the average property tax paid to the _____ (insert the type of taxing unit) per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a business property within the political subdivision). Shall _____ (insert the name of the political subdivision) increase property taxes paid to the _____ (insert the type of taxing unit) by homeowners and businesses to fund the increase in the scope of the project previously approved? If this public question is approved by the voters, the average property tax paid to the _____ (insert the type of taxing unit) per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a residence within the political subdivision) and the average property tax paid to the _____ (insert the type of taxing unit) per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to the political~~

~~subdivision on a business property within the political subdivision).".~~

"Shall _____ (insert the name of the political subdivision) increase property taxes paid to the _____ (insert the type of political subdivision) for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding _____ (insert a brief description of the project use or purpose) for which the principal debt amount for the project will cost no more than _____ (insert the total cost of the project principal amount) and the financing cost including interest and fees will cost no more than an additional _____ (insert the total financing costs including interest and fees) and is estimated to increase the property taxes paid to the _____ (insert the type of political subdivision) by imposing a property tax rate that results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy). If this capital referendum public question is approved by the voters, for a median residence of _____ (insert the political subdivision's median household assessed value, rounded up to the next fifty thousand dollars ($50,000)), the property's annual property tax bill would increase by _____ (insert dollar amount, rounded up to the next whole dollar) per year.".

(3) The public question must appear on the ballot in the form approved by the county election board. If the political subdivision in which the particular controlled project is located in more than one (1) county, the county election board of each county shall jointly approve the form of the public question that will appear on the ballot in each county. The form approved by the county election board may differ from the language certified to the county election board by the county auditor. If the county election board approves the language of a public question under this subsection, the county election board shall submit the language to the department of local government finance for review.

(4) The department of local government finance shall review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. The department of local government finance may either approve the ballot language as submitted or recommend that the ballot language be modified as

necessary to ensure that the description of the controlled project is accurate and is not biased. The department of local government finance shall certify its approval or recommendations to the county auditor and the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional modifications. The public question may not be certified by the county auditor under subdivision (5) unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.

(5) The county auditor shall certify the finally approved public question ~~under IC 3-10-9-3~~ to the county election board of each county in which the political subdivision is located. The certification must occur not later than noon **August 1.**

~~(A) seventy-four (74) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or~~

~~(B) August 1 if the public question is to be placed on the general or municipal election ballot.~~

(6) The public question shall be placed on the ballot at the next ~~primary election,~~ general election ~~or municipal election~~ in which all voters of the political subdivision are entitled to vote. ~~However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon seventy-four (74) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). The fiscal body of the political subdivision that requests the special election shall pay the costs of holding the special election. The county election board shall give notice under IC 5-3-1 of a special election conducted under this subsection. A special election conducted~~

~~under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.~~

(7) The circuit court clerk shall certify the results of the public question to the following:

(A) The county auditor of each county in which the political subdivision is located.

(B) The department of local government finance.

(8) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

(9) If a majority of the eligible voters voting on the public question vote in opposition to the public question, or if a petition is not filed under subdivision (1), the political subdivision may not proceed with the changed scope of the controlled project. In that case, the political subdivision may either:

(A) proceed with the controlled project as it was initially presented; or

(B) terminate the controlled project as it was initially presented and initiate procedures for the controlled project that reflects the change in scope.

(10) If a majority of the eligible voters voting on the public question vote in favor of the public question, the political subdivision may impose property taxes to fund the increase in the scope of the controlled project previously approved.

SECTION 73. IC 6-1.1-20-4.5, AS AMENDED BY P.L.136-2024, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 4.5. (a) As used in this section, "maintenance emergency" refers to a response to a condition that is not otherwise subject to the application of section 1.1(a)(6) of this chapter and includes:

(1) repair of a boiler or chiller system;

(2) roof repair;

(3) storm damage repair; or

(4) any other repair that the department determines is a maintenance emergency for which waiver of the application of section 3.5(a)(1)(E) **(before its expiration) or 3.5(a)(1)(F)** of this chapter ~~(before its expiration)~~ is warranted.

(b) A political subdivision may submit a request to the department to waive the application of section 3.5(a)(1)(E) **(before its expiration) or 3.5(a)(1)(F)** of this chapter, ~~(before its expiration),~~ if the proposed controlled project of the political subdivision is to address a maintenance emergency with respect to a building owned or leased by

the political subdivision.

(c) The department shall require the political subdivision to submit any information that the department considers necessary to determine whether the condition that the political subdivision contends is a maintenance emergency.

(d) The department shall review a request and issue a determination not later than forty-five (45) days after the department receives a request under this section determining whether the condition that the political subdivision contends is a maintenance emergency is sufficient to waive the application of section 3.5(a)(1)(E) **(before its expiration) or 3.5(a)(1)(F)** of this chapter. ~~(before its expiration).~~ If the department determines that the condition is a maintenance emergency then section 3.5(a)(1)(E) **(before its expiration) or 3.5(a)(1)(F)** of this chapter ~~(before its expiration)~~ is waived and does not apply to the proposed controlled project.

(e) A waiver of the application of section 3.5(a)(1)(E) **(before its expiration) or 3.5(a)(1)(F)** of this chapter ~~(before its expiration)~~ in accordance with this section may not be construed as a waiver of any other requirement of this chapter with respect to the proposed controlled project.

~~(f) This section expires December 31, 2025.~~

SECTION 74. IC 6-1.1-20-4.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 4.6. Each year, the county auditor, with cooperation from the department of local government finance, shall determine the tax rate needed to raise the maximum amount of the annual levy for the year as described under sections 3.6 and 4.3 of this chapter, as applicable, and determine all other information needed for the ballot language in those sections.**

SECTION 75. IC 6-1.1-20.6-3, AS AMENDED BY P.L.197-2016, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "property tax liability" means, for purposes of:

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

(2) section 8.5 of this chapter, liability for the tax imposed on property under this article determined after application of all

credits and deductions under this article or IC 6-3.6, including the ~~credit~~ **credits** granted by ~~section~~ **sections** 7, ~~or~~ 7.5, **and 7.7** of this chapter, but not including the credit granted under section 8.5 of this chapter or any interest or penalty imposed under this article; **and**

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

SECTION 76. IC 6-1.1-20.6-7.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.7. (a) This section applies for property taxes first due and payable in calendar years beginning after December 31, 2025.**

(b) A person who qualifies for a standard deduction from the assessed value of the person's homestead under IC 6-1.1-12-37 (or is married at the time of death to a deceased spouse who qualifies for a standard deduction under IC 6-1.1-12-37 for the person's homestead) is also entitled to receive a supplemental homestead credit under this section against the person's property tax liability on the same homestead to which the standard deduction applies.

(c) The amount of the credit is equal to the lesser of:

(1) the result of:

(A) the property tax liability first due and payable on the homestead property for the calendar year; multiplied by

(B) seventy-five thousandths (0.075); or

(2) two hundred dollars ($200).

(d) Property taxes imposed after being approved by the voters in a referendum or local public question shall not be considered for purposes of calculating a person's credit under this section.

(e) A person is not required to file an application for the credit under this section. The county auditor shall:

(1) identify the property in the county eligible for the credit under this section; and

(2) apply the credit under this section to property tax liability on the identified property.

SECTION 77. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.239-2023, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 8.5. (a) This section applies to an individual who:

(1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year);

(2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year;

(3) is or will be at least sixty-five (65) years of age on or before December 31 of the calendar year immediately preceding the current calendar year; and

(4) had:

(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding ~~thirty thousand dollars ($30,000),~~ **sixty thousand dollars ($60,000),** and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year; or

(B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding ~~forty thousand dollars ($40,000),~~ **seventy thousand dollars ($70,000),** and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;

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

For purposes of applying the annual cost of living increases described in subdivision (4)(A) and (4)(B), the annual percentage increase is applied to the adjusted amount of income from the immediately preceding year.

(b) Except as provided in subsection (g), this section does not apply if:

(1) for an individual who received a credit under this section before January 1, 2020, the gross assessed value of the homestead on the assessment date for which property taxes are imposed is at least two hundred thousand dollars ($200,000);

(2) for an individual who initially applies for a credit under this section after December 31, 2019, and before January 1, 2023, the assessed value of the individual's Indiana real property is at least two hundred thousand dollars ($200,000); or

(3) for an individual who initially applies for a credit under this section after December 31, 2022, **and before January 1, 2025,** the assessed value of the individual's Indiana real property is at least two hundred forty thousand dollars ($240,000).

(c) An individual is entitled to an additional credit under this section for property taxes first due and payable for a calendar year on a homestead if:

(1) the individual and the homestead qualify for the credit under subsection (a) for the calendar year;

(2) the homestead is not disqualified for the credit under subsection (b) for the calendar year; and

(3) the filing requirements under subsection (e) are met.

(d) The amount of the credit is equal to the greater of zero (0) or the result of:

(1) the property tax liability first due and payable on the homestead property for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the qualified homestead property for the immediately preceding year after the application of the credit granted under this section for that year; multiplied by

(B) one and two hundredths (1.02).

However, property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under IC 6-1.1-12-9 **(before its expiration).** However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility not later than sixty (60) days after the individual becomes ineligible.

(f) The auditor of each county shall, in a particular year, apply a

credit provided under this section to each individual who received the credit in the preceding year unless the auditor determines that the individual is no longer eligible for the credit.

(g) For purposes of determining the:

(1) assessed value of the homestead on the assessment date for which property taxes are imposed under subsection (b)(1);

(2) assessed value of the individual's Indiana real property under subsection (b)(2); or

(3) assessed value of the individual's Indiana real property under subsection (b)(3);

for an individual who has received a credit under this section in a previous year, increases in assessed value that occur after the later of December 31, 2019, or the first year that the individual has received the credit are not considered unless the increase in assessed value is attributable to substantial renovation or new improvements. Where there is an increase in assessed value for purposes of the credit under this section, the assessor shall provide a report to the county auditor describing the substantial renovation or new improvements, if any, that were made to the property prior to the increase in assessed value.

SECTION 78. IC 6-1.1-22-8.1, AS AMENDED BY P.L.159-2020, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8.1. (a) The county treasurer shall:

(1) except as provided in subsection (h), mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection (b).

(b) The department of local government finance shall prescribe a form, subject to the approval of the state board of accounts, for the statement under subsection (a) that includes at least the following:

(1) A statement of the taxpayer's current and delinquent taxes and special assessments.

(2) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(3) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(4) Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used.

(5) Information regarding how a taxpayer can obtain information regarding the taxpayer's notice of assessment or reassessment under IC 6-1.1-4-22.

(6) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(7) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify:

(A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and

(B) the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(8) An explanation of the following:

(A) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 **(before its expiration),** or another law that are available in the taxing district where the property is located.

(B) All property tax deductions that are available in the taxing district where the property is located.

(C) The procedure and deadline for filing for any available homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 **(before its expiration),** or another law and each deduction.

(D) The procedure that a taxpayer must follow to:

(i) appeal a current assessment; or

(ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

(E) The forms that must be filed for an appeal or a petition described in clause (D).

(F) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.

(G) Notice that an appeal described in clause (D) requires evidence relevant to the true tax value of the taxpayer's property as of the assessment date that is the basis for the taxes

payable on that property.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(9) A checklist that shows:

(A) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 **(before its expiration),** or another law and all property tax deductions; and

(B) whether each homestead credit and property tax deduction applies in the current statement for the property transmitted under subsection (a).

(10) A remittance coupon indicating the payment amounts due at each payment due date and other information determined by the department of local government finance.

(c) The county treasurer shall mail or transmit the statement one (1) time each year on or before April 15. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment. If a statement is returned to the county treasurer as undeliverable and the forwarding order is expired, the county treasurer shall notify the county auditor of this fact. Upon receipt of the county treasurer's notice, the county auditor may, at the county auditor's discretion, treat the property as not being eligible for any deductions under IC 6-1.1-12 or any homestead credits under IC 6-1.1-20.4 and IC 6-3.6-5 **(before its expiration).**

(d) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(e) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection (b).

(f) The information to be included in the statement under subsection (b) must be simply and clearly presented and understandable to the average individual.

(g) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated as a reference to this section.

(h) Transmission of statements and other information under this subsection applies in a county only if the county legislative body adopts an authorizing ordinance. Subject to subsection (i), in a county in which an ordinance is adopted under this subsection for property taxes and special assessments, a person may, in any manner permitted by subsection (n), direct the county treasurer and county auditor to transmit the following to the person by electronic mail:

(1) A statement that would otherwise be sent by the county treasurer to the person by regular mail under subsection (a)(1), including a statement that reflects installment payment due dates under section 9.5 or 9.7 of this chapter.

(2) A provisional tax statement that would otherwise be sent by the county treasurer to the person by regular mail under IC 6-1.1-22.5-6.

(3) A reconciling tax statement that would otherwise be sent by the county treasurer to the person by regular mail under any of the following:

(A) Section 9 of this chapter.

(B) Section 9.7 of this chapter.

(C) IC 6-1.1-22.5-12, including a statement that reflects installment payment due dates under IC 6-1.1-22.5-18.5.

(4) Any other information that:

(A) concerns the property taxes or special assessments; and

(B) would otherwise be sent:

(i) by the county treasurer or the county auditor to the person by regular mail; and

(ii) before the last date the property taxes or special assessments may be paid without becoming delinquent.

The information listed in this subsection may be transmitted to a person by using electronic mail that provides a secure Internet link to the information.

(i) For property with respect to which more than one (1) person is liable for property taxes and special assessments, subsection (h) applies only if all the persons liable for property taxes and special assessments designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).

(j) The department of local government finance shall create a form to be used to implement subsection (h). The county treasurer and county auditor shall:

(1) make the form created under this subsection available to the public;

(2) transmit a statement or other information by electronic mail under subsection (h) to a person who files, on or before March 15, the form created under this subsection:

(A) with the county treasurer; or

(B) with the county auditor; and

(3) publicize the availability of the electronic mail option under this subsection through appropriate media in a manner reasonably designed to reach members of the public.

(k) The form referred to in subsection (j) must:

(1) explain that a form filed as described in subsection (j)(2) remains in effect until the person files a replacement form to:

(A) change the person's electronic mail address; or

(B) terminate the electronic mail option under subsection (h); and

(2) allow a person to do at least the following with respect to the electronic mail option under subsection (h):

(A) Exercise the option.

(B) Change the person's electronic mail address.

(C) Terminate the option.

(D) For a person other than an individual, designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).

(E) For property with respect to which more than one (1) person is liable for property taxes and special assessments, designate the electronic mail address for only one (1) individual authorized to receive the statements and other information referred to in subsection (h).

(l) The form created under subsection (j) is considered filed with the county treasurer or the county auditor on the postmark date or on the date it is electronically submitted. If the postmark is missing or illegible, the postmark is considered to be one (1) day before the date of receipt of the form by the county treasurer or the county auditor.

(m) The county treasurer shall maintain a record that shows at least the following:

(1) Each person to whom a statement or other information is transmitted by electronic mail under this section.

(2) The information included in the statement.

(3) Whether the county treasurer received a notice that the person's electronic mail was undeliverable.

(n) A person may direct the county treasurer and county auditor to transmit information by electronic mail under subsection (h) on a form

prescribed by the department submitted:

(1) in person;

(2) by mail; or

(3) in an online format developed by the county and approved by the department.

SECTION 79. IC 6-1.1-22.5-8, AS AMENDED BY P.L.93-2024, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. (a) Subject to subsection (c), a provisional statement must:

(1) be on a form prescribed by the department of local government finance;

(2) except as provided in rules adopted under section 20 of this chapter and subsection (b):

(A) for property taxes first due and payable after 2010 and billed using a provisional statement under section 6 of this chapter, indicate:

(i) that the first installment of the taxpayer's tax liability is an amount equal to fifty percent (50%) of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued, subject to any adjustments to the tax liability authorized by the department of local government finance under subsection (e) and approved by the county treasurer; and

(ii) that the second installment is either the amount specified in a reconciling statement or, if a reconciling statement is not sent until after the second installment is due, an amount equal to fifty percent (50%) of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued, subject to any adjustments to the tax liability authorized by the department of local government finance under subsection (e) and approved by the county treasurer; and

(B) for property taxes billed using a provisional statement under section 6.5 of this chapter, except as provided in subsection (d), indicate tax liability in an amount determined by the department of local government finance based on:

(i) subject to subsection (c), for the cross-county entity, the property tax rate of the cross-county entity for taxes first due and payable in the immediately preceding calendar year; and

(ii) for all other taxing units that make up the taxing district or taxing districts that comprise the cross-county area, the property tax rates of the taxing units for taxes first due and

payable in the current calendar year;

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

(i) are due and payable in the same manner as property taxes billed on a tax statement under IC 6-1.1-22-8.1; and

(ii) will be credited against a reconciling statement;

(4) for property taxes billed using a provisional statement under section 6 of this chapter, include a statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, _____ County (insert county) has sent provisional statements. The statement is due to be paid in installments on _____ (insert date) and _____ (insert date). The first installment is equal to fifty percent (50%) of your tax liability for taxes payable in _____ (insert year), subject to adjustment to the tax liability authorized by the department of local government finance and approved by the county treasurer. The second installment is either the amount specified in a reconciling statement that will be sent to you, or (if a reconciling statement is not sent until after the second installment is due) an amount equal to fifty percent (50%) of your tax liability for taxes payable in _____ (insert year), subject to adjustment to the tax liability authorized by the department of local government finance and approved by the county treasurer. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in _____ (insert year) minus the amount you pay under this provisional statement.";

(5) for property taxes billed using a provisional statement under section 6.5 of this chapter, include a statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, _____ County (insert county) has elected to send provisional statements for the territory of _____ (insert cross-county entity) located in _____ County (insert county) because the property tax rate for _____ (insert cross-county entity) was not available in time to prepare final tax statements. The statement is due to be paid in installments on _____ (insert date) and _____ (insert date). The statement is based on the property tax rate of

_____ (insert cross-county entity) for taxes first due and payable in _____ (insert immediately preceding calendar year). After the property tax rate of _____ (insert cross-county entity) is determined, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in _____ (insert year) minus the amount you pay under this provisional statement.";

(6) indicate any adjustment to tax liability under subdivision (2) authorized by the department of local government finance under subsection (e) and approved by the county treasurer for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

(7) in the case of a reconciling statement only, include:

(A) a checklist that shows:

(i) homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 **(before its expiration),** or another law and all property tax deductions; and

(ii) whether each homestead credit and property tax deduction were applied in the current provisional statement;

(B) an explanation of the procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction; and

(C) an explanation of the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

(i) more than one (1) parcel of property; or

(ii) property that is not the taxpayer's principal place of residence or is otherwise not eligible for a standard deduction; and

(8) include any other information the county treasurer requires.

(b) The county may apply a standard deduction, supplemental standard deduction, or homestead credit calculated by the county's property system on a provisional bill for a qualified property. If a provisional bill has been used for property tax billings for two (2) consecutive years and a property qualifies for a standard deduction, supplemental standard deduction, or homestead credit for the second year a provisional bill is used, the county shall apply the standard deduction, supplemental standard deduction, or homestead credit

calculated by the county's property system on the provisional bill.

(c) For purposes of this section, property taxes that are:

(1) first due and payable in the current calendar year on a provisional statement under section 6 or 6.5 of this chapter; and

(2) based on property taxes first due and payable in the immediately preceding calendar year or on a percentage of those property taxes;

are determined after excluding from the property taxes first due and payable in the immediately preceding calendar year property taxes imposed by one (1) or more taxing units in which the tangible property is located that are attributable to a levy that no longer applies for property taxes first due and payable in the current calendar year.

(d) If there was no property tax rate of the cross-county entity for taxes first due and payable in the immediately preceding calendar year for use under subsection (a)(2)(B), the department of local government finance shall provide an estimated tax rate calculated to approximate the actual tax rate that will apply when the tax rate is finally determined.

(e) The department of local government finance shall:

(1) authorize the types of adjustments to tax liability that a county treasurer may approve under subsection (a)(2)(A) including:

(A) adjustments for any new construction on the property or any damage to the property;

(B) any necessary adjustments for credits, deductions, or the local income tax;

(C) adjustments to include current year special assessments or exclude special assessments payable in the year of the assessment date but not payable in the current year;

(D) adjustments to include delinquent:

(i) taxes; and

(ii) special assessments;

(E) adjustments to include penalties that are due and owing; and

(F) adjustments to include interest that is due and owing; and

(2) notify county treasurers in writing of the types of adjustments authorized under subdivision (1).

SECTION 80. IC 6-1.1-30-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20. (a) The department shall develop and maintain a property tax transparency portal on the department's current website through which taxpayers may:**

(1) compare the property tax liability in their current tax

statement compared to their potential property tax liability based on changes under a proposed tax rate; and

(2) provide taxpayer feedback to the department and local units.

(b) The department shall make the portal available for taxpayer use not later than January 1, 2026.

SECTION 81. IC 6-1.1-31-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: **Sec. 14. The department of local government finance shall develop or amend forms and returns for property taxation of assessable depreciable personal property to reflect the enactment of the exemption for business personal property placed in service after January 1, 2025, under IC 6-1.1-10.4, the enactment of IC 6-1.1-3-29, and the enactment of IC 6-1.1-8-45.**

SECTION 82. IC 6-1.1-36-17, AS AMENDED BY P.L.85-2017, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 17. (a) As used in this section, "nonreverting fund" refers to a nonreverting fund established under subsection (d).

(b) If a county auditor makes a determination that property was not eligible for a standard deduction under IC 6-1.1-12-37 in a particular year within three (3) years after the date on which taxes for the particular year are first due, the county auditor may issue a notice of taxes, interest, and penalties due to the owner that improperly received the standard deduction and include a statement that the payment is to be made payable to the county auditor. The additional taxes and civil penalties that result from the removal of the deduction, if any, are imposed for property taxes first due and payable for an assessment date occurring before the earlier of the date of the notation made under subsection (c)(2)(A) or the date a notice of an ineligible homestead lien is recorded under subsection (e)(2) in the office of the county recorder. The notice must require full payment of the amount owed within:

(1) one (1) year with no penalties and interest, if:

(A) the taxpayer did not comply with the requirement to return the homestead verification form under IC 6-1.1-22-8.1(b)(9) (expired January 1, 2015); and

(B) the county auditor allowed the taxpayer to receive the standard deduction in error; or

(2) thirty (30) days, if subdivision (1) does not apply.

With respect to property subject to a determination made under this subsection that is owned by a bona fide purchaser without knowledge of the determination, no lien attaches for any additional taxes and civil

penalties that result from the removal of the deduction.

(c) If a county auditor issues a notice of taxes, interest, and penalties due to an owner under subsection (b), the county auditor shall:

(1) notify the county treasurer of the determination; and

(2) do one (1) or more of the following:

(A) Make a notation on the tax duplicate that the property is ineligible for the standard deduction and indicate the date the notation is made.

(B) Record a notice of an ineligible homestead lien under subsection (e)(2).

(d) Each county auditor shall establish a nonreverting fund. Upon collection of the adjustment in tax due (and any interest and penalties on that amount) after the termination of a deduction or credit as specified in subsection (b), the county treasurer shall deposit that amount:

(1) in the nonreverting fund, if the county contains a consolidated city; or

(2) if the county does not contain a consolidated city:

(A) in the nonreverting fund, to the extent that the amount collected, after deducting the direct cost of any contract, including contract related expenses, under which the contractor is required to identify homestead deduction eligibility, does not cause the total amount deposited in the nonreverting fund under this subsection for the year during which the amount is collected to exceed one hundred thousand dollars ($100,000); or

(B) in the county general fund, to the extent that the amount collected exceeds the amount that may be deposited in the nonreverting fund under clause (A).

(e) Any part of the amount due under subsection (b) that is not collected by the due date is subject to collection under one (1) or more of the following:

(1) After being placed on the tax duplicate for the affected property and collected in the same manner as other property taxes.

(2) Through a notice of an ineligible homestead lien recorded in the county recorder's office without charge.

The adjustment in tax due (and any interest and penalties on that amount) after the termination of a deduction or credit as specified in subsection (b) shall be deposited as specified in subsection (d) only in the first year in which that amount is collected. Upon the collection of the amount due under subsection (b) or the release of a lien recorded under subdivision (2), the county auditor shall submit the appropriate

documentation to the county recorder, who shall amend the information recorded under subdivision (2) without charge to indicate that the lien has been released or the amount has been paid in full.

(f) The amount to be deposited in the nonreverting fund or the county general fund under subsection (d) includes adjustments in the tax due as a result of the termination of deductions or credits available only for property that satisfies the eligibility for a standard deduction under IC 6-1.1-12-37, including the following:

(1) Supplemental deductions under IC 6-1.1-12-37.5.

(2) Homestead credits under IC 6-1.1-20.4, IC 6-3.6-5 **(before its expiration),** IC 6-3.6-11-3 **(before its expiration),** or any other law.

(3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or IC 6-1.1-20.6-8.5.

Any amount paid that exceeds the amount required to be deposited under subsection (d)(1) or (d)(2) shall be distributed as property taxes.

(g) Money deposited under subsection (d)(1) or (d)(2) shall be treated as miscellaneous revenue. Distributions shall be made from the nonreverting fund established under this section upon appropriation by the county fiscal body and shall be made only for the following purposes:

(1) Fees and other costs incurred by the county auditor to discover property that is eligible for a standard deduction under IC 6-1.1-12-37.

(2) Other expenses of the office of the county auditor.

The amount of deposits in a reverting fund, the balance of a nonreverting fund, and expenditures from a reverting fund may not be considered in establishing the budget of the office of the county auditor or in setting property tax levies that will be used in any part to fund the office of the county auditor.

SECTION 83. IC 6-1.1-37-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 4. A person who makes a false statement, with intent to obtain the property tax deduction provided in either IC 6-1.1-12-13 or IC 6-1.1-12-14 **(before their expiration),** when ~~he~~ **the person** is not entitled to the deduction, commits a Class B misdemeanor.

SECTION 84. IC 6-1.1-40-10, AS AMENDED BY P.L.212-2018(ss), SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 10. (a) The deduction under this section applies only to new manufacturing equipment installed before July 1, 2018.

(b) Subject to ~~subsection~~ **subsections** (e) **and (f),** an owner of new

manufacturing equipment whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment for a period of ten (10) years. Except as provided in subsections (c) and (d), and subject to subsection (e) and section 14 of this chapter, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. Subject to subsection (e) and section 14 of this chapter, for the sixth through the tenth year, the amount of the deduction equals the product of:

(1) the assessed value of the new manufacturing equipment; multiplied by

(2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

(c) A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

(d) If a deduction is not fully allowed under subsection (c) in the first year the deduction is claimed, then the percentages specified in subsection (b) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(e) For purposes of subsection (b), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45** is the product of:

(1) the assessed value of the equipment (excluding equipment installed after June 30, 2018) determined without regard to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9;~~ **IC 6-1.1-8-45;** multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45** for all of the owner's depreciable personal property in the

taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9~~ **IC 6-1.1-8-45** determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in ~~50 IAC 4.2-4-9~~ **IC 6-1.1-3-29** or ~~50 IAC 5.1-6-9.~~ **IC 6-1.1-8-45.**

(f) Notwithstanding any other provision of this chapter, a deduction shall not be allowed under this chapter for any business personal property that is totally exempt from property taxation under IC 6-1.1-10.4-4 beginning in 2030.

SECTION 85. IC 6-1.1-42-22, AS AMENDED BY P.L.181-2016, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 22. (a) The designating body shall determine whether to approve a deduction.

(b) A designating body may not grant a deduction for a facility described in IC 6-1.1-12.1-3(e).

(c) A property owner may not receive a deduction under this chapter for repairs or improvements to real property if the owner receives a deduction under either IC 6-1.1-12.1, IC 6-1.1-12-18 (before its expiration), IC 6-1.1-12-22 (before its expiration), or IC 6-1.1-12-28.5 **(before its expiration)** for the same property.

(d) A designating body may approve a deduction only if the following findings are made in the affirmative:

(1) The applicant:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

(2) The proposed improvement or property will be located in a zone.

(3) The estimate of the value of the remediation and redevelopment is reasonable for projects of that nature.

(4) The estimate of the number of individuals who will be employed or whose employment will be retained can be

reasonably expected to result from the proposed described remediation and redevelopment.

(5) The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described remediation and redevelopment.

(6) Any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described remediation and redevelopment.

(7) The totality of benefits is sufficient to justify the deduction.

SECTION 86. IC 6-1.1-42-28, AS AMENDED BY P.L.86-2018, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 28. (a) Subject to this section and section 34 of this chapter, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

(2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%

6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2 occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance may adopt rules under IC 4-22-2 to implement this subsection.

(d) Notwithstanding any other provision of this chapter, a deduction shall not be allowed under this chapter for any business personal property that is totally exempt from property taxation under IC 6-1.1-10.4-4 beginning in 2030.

SECTION 87. IC 6-1.1-45-12, AS AMENDED BY P.L.238-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 12. (a) Subject to ~~subsection~~ **subsections** (b) **and (c),** a taxpayer may claim a deduction under this chapter for property other than property located in a consolidated city for an assessment date that occurs after:

(1) the expiration of the enterprise zone in which the enterprise zone property for which the taxpayer made the qualified investment is located; or

(2) the expiration of the entrepreneur and enterprise district in which the entrepreneur and enterprise district property for which the taxpayer made the qualified investment under IC 5-28-15.5 is located.

(b) A taxpayer may not claim a deduction under this chapter for more than ten (10) years.

(c) Notwithstanding any other provision of this chapter, a deduction shall not be allowed under this chapter for any business personal property that is totally exempt from property taxation under IC 6-1.1-10.4-4 beginning in 2032.

SECTION 88. IC 6-1.1-51.3 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]:

Chapter 51.3 Local Property Tax Credits

Sec. 0.5. Each credit against local property taxes to which an individual is entitled for a particular year under this chapter shall be applied to an individual's property tax liability for the year after the application of any credit under IC 6-1.1-20.6-7.5, but before application of any other credits under this article or IC 6-3.6.

Sec. 1. (a) An individual is entitled to a credit against local property taxes imposed on the individual's real property, or mobile home or manufactured home within the county, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the credit is claimed;

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

(3) the individual:

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

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

on the date the credit is claimed; and

(4) the:

(A) individual had, in the case of an individual who filed a

single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding sixty thousand dollars ($60,000);

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

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

(i) the individual shares ownership; or

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

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

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

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

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

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

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

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

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

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

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

(3) the surviving spouse has not remarried.

(f) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the

property taxes on the real property may not claim the credit provided under this section against that real property.

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

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

Sec. 2. (a) An individual is entitled to a credit against local property taxes imposed on the individual's real property, or mobile home or manufactured home within the county, if:

(1) the individual is blind or the individual has a disability;

(2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence; and

(3) the individual:

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

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

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

(b) The amount of the credit is equal to one hundred twenty-five dollars ($125).

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "individual with a disability" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or

(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) An individual with a disability filing a claim under this section shall submit proof of the disability. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) An individual with a disability not covered under the federal Social Security Act shall be examined by a physician and the individual's status as an individual with a disability determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who receives the credit provided by this section may not receive the credit provided by IC 6-1.1-20.6-8.5. However, the individual may receive any other property tax credit that the individual is entitled to by law.

(h) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the credit provided under this section against that real property, mobile home, or manufactured home.

(i) An individual wishing to claim a credit under this section must file a statement, on forms prescribed by the department of local government finance, with the county auditor and provide documentation necessary to substantiate the individual's eligibility for the credit. The statement must be completed and dated on or before January 15 of the calendar year in which the property taxes are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. An individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. However, an individual

who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility not later than sixty (60) days after the individual becomes ineligible.

Sec. 3. (a) An individual is entitled to a credit against local property taxes imposed on the individual's real property, or mobile home or manufactured home within the county, if:

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

(2) the individual received an honorable discharge;

(3) the individual either:

(A) has a total disability; or

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

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

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

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

(5) the individual:

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

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

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

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

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

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

(2) the individual:

(A) was killed in action;

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

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

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

(d) An individual who receives the credit provided by this section may not receive the credit provided by section 1 of this chapter. However, the individual may receive any other property tax credit that the individual is entitled to by law.

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

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

Sec. 4. (a) An individual is entitled to a credit against local property taxes imposed on the individual's real property, or mobile home or manufactured home within the county, if:

(1) the individual served in the military or naval forces of the United States during any of its wars;

(2) the individual received an honorable discharge;

(3) the individual has a disability with a service connected disability of ten percent (10%) or more;

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

(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

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

(5) the individual:

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

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

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

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

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

(d) An individual who receives the credit provided by this section may not receive the credit provided by section 1 of this chapter. However, the individual may receive any other property tax credit that the individual is entitled to by law.

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

(f) An individual wishing to claim a credit under this section must file a statement, on forms prescribed by the department of local government finance, with the county auditor and provide documentation necessary to substantiate the individual's eligibility for the credit. The statement must be completed and dated on or before January 15 of the calendar year in which the property taxes

are first due and payable. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. An individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. However, an individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility not later than sixty (60) days after the individual becomes ineligible.

SECTION 89. IC 6-1.1-52 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

Chapter 52. County Option Homestead Property Tax Deferral Program

Sec. 1. As used in this chapter, "homestead" means a homestead as defined in IC 6-1.1-12-37.

Sec. 2. As used in this chapter, "homestead property tax liability" refers to a liability for property taxes:

(1) that are assessed on tangible property that is a homestead, including all tangible property, regardless of type, located in any parcel that contains the homestead; and

(2) that would be first due and payable in a certain year if the property taxes were not deferred under this chapter.

The term refers to a property tax liability after the application of all deductions and credits for which the homestead is eligible.

Sec. 3. As used in this chapter, "property taxes" refers to ad valorem property taxes. The term does not include special assessments, fees, or charges that are included by law on a tax statement issued under IC 6-1.1-22-8.1 or IC 6-1.1-22.5.

Sec. 4. As used in this chapter, "qualified individual" means an individual who:

(1) has a qualified interest in a homestead on the assessment date for which homestead property tax liability is imposed;

(2) has held a qualified interest in the homestead for at least five (5) years before first applying for a deferral of homestead property tax liability;

(3) uses the homestead in which the individual has a qualified interest as the individual's principal place of residence. An individual shall be treated as using a homestead as the individual's principal place of residence if the individual:

(A) is absent from the homestead while in a health care

facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5) for which payment is received from the United States Department of Health and Human Services for the individual's care; but

(B) used the homestead as the individual's principal place of residence immediately before being admitted to a health care facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5);

(4) is not delinquent in the payment of any property taxes, special assessments, or fees or charges that are included by law on a tax statement issued under IC 6-1.1-22-8.1 or IC 6-1.1-22.5; and

(5) meets any other qualifications that a county may choose to require in an ordinance adopted under this chapter, which may include:

(A) an age requirement for senior citizens;

(B) an assessed value limitation (such as an assessed value limit of three hundred thousand dollars ($300,000));

(C) veteran status; or

(D) an income based limitation.

Sec. 5. As used in this chapter, "qualified interest" means the following:

(1) An ownership interest in a homestead.

(2) An interest in a contract for the purchase of a homestead that:

(A) is recorded in the county recorder's office; and

(B) provides that a person purchasing the homestead is to pay the property taxes on the homestead.

Sec. 6. (a) A county fiscal body may adopt an ordinance to establish a homestead property tax deferral program to be administered by the county treasurer as provided in this chapter.

(b) An ordinance adopted under this section must apply to all of the territory of the county and allow a qualified individual to apply for and receive deferral of the qualified individual's homestead property tax liability as set forth in this chapter.

(c) For a homestead property tax deferral program to be first applicable to property taxes first due and payable in a particular calendar year, the county fiscal body must adopt the ordinance to establish the homestead property tax deferral program not later than November 1 of the immediately preceding calendar year.

Sec. 7. (a) Beginning with property taxes first due and payable in 2026, and subject to subsection (g), a qualified individual in a

county with a homestead property tax deferral program may apply to the county auditor to defer the due date for the qualified individual's homestead property tax liability as permitted under this chapter.

(b) A qualified individual may defer at least one hundred dollars ($100), but not more than five hundred dollars ($500), of the qualified individual's homestead property tax liability in a given calendar year.

(c) Except as provided in subsections (d) and (f), amounts deferred under this chapter for prior years may continue to accumulate until the delayed due date under this chapter.

(d) A qualified individual may not defer more than ten thousand dollars ($10,000) of the qualified individual's homestead property tax liability over consecutive years.

(e) The county treasurer may accrue interest on a qualified individual's deferred tax balance amount on a monthly basis not to exceed four percent (4%) beginning on the date of the deferral.

(f) No deferral of homestead property tax liability shall be granted if the total amount of deferred taxes under this chapter plus the total amount of all other liens on the homestead property plus the outstanding principal on all mortgages on the homestead property exceed one hundred percent (100%) of the homestead's assessed value.

(g) To be eligible for the homestead property tax deferral program, a qualified individual must:

(1) submit with the homestead property tax deferral program application the written approval of any holder of a lien on the homestead property; and

(2) agree to not pay the individual's remaining non-deferred payments by escrow.

Sec. 8. (a) Before October 1, 2025, the department of local government finance shall prescribe and make available to the public a tax deferral loan application and agreement that must be used for purposes of this chapter.

(b) A qualified individual wishing to obtain a deferral of homestead property tax liability for a calendar year must file with the county auditor a completed loan application on or before January 15 of the calendar year in which the property taxes are first due and payable and enter into a tax deferral agreement with the county auditor before March 1 of that year. Any recording fees required by a county recorder to file the application shall be paid by the taxpayer.

(c) An application for a deferral must be filed with the county auditor in the county where the homestead is located. Upon the filing of an application, the county auditor shall immediately:

(1) notify the county treasurer and transmit the information that the county treasurer needs to match the application with the county treasurer's records related to the homestead; and

(2) review the application to determine:

(A) whether the applicant qualifies for a deferral; and

(B) the amount that may be deferred.

(d) After an initial application, an applicant remains eligible for a deferral in subsequent years so long as the applicant continues to meet the eligibility requirements for deferral under this chapter.

Sec. 9. (a) If the applicant is qualified for a deferral, the county auditor shall:

(1) approve the deferral in the lesser of:

(A) the amount requested by the applicant, which may not be less than one hundred dollars ($100); or

(B) the maximum amount, which is five hundred dollars ($500);

(2) provide for the recording of the deferral in the county recorder's office specifying the amount of property tax deferred; and

(3) notify the county treasurer and the department of local government finance of the amount deferred.

(b) An applicant must enter into a tax deferral agreement with the county auditor for each year that homestead property taxes are deferred under this chapter.

(c) The recording of a deferral in the county recorder's office shall constitute a lien on the homestead property.

Sec. 10. (a) Property taxes deferred under this chapter are due and payable one hundred eighty (180) days after the date on which a deferral termination event occurs.

(b) Subject to subsection (c), a deferral termination event occurs on the earlier of the following dates:

(1) The first date on which the qualified individual who had a qualified interest in the homestead when the property taxes were deferred:

(A) ceases to use the homestead as the individual's principal place of residence as provided in section 4(3) of this chapter; or

(B) no longer has a qualified interest in the homestead.

(2) The date of the death of the qualified individual who had

a qualified interest in the homestead when property taxes were deferred.

(c) This subsection applies only to a surviving spouse who was not a qualified individual on the date on which property taxes were deferred. If a deceased individual was a qualified individual on the date on which property taxes were deferred, the deceased individual's surviving spouse shall be treated after the deceased individual's death as if the surviving spouse had been a qualified individual on the date on which property taxes were deferred if:

(1) the homestead was the surviving spouse's principal place of residence when the deceased qualified individual died; and

(2) the surviving spouse has a qualified interest in the homestead not later than the later of:

(A) the date of the deceased individual's death; or

(B) the date on which the estate of the deceased individual transfers any part of the ownership of the homestead from the estate.

Sec. 11. Deferred property taxes and accrued interest may be paid at any time on or before the delayed due date under section 10 of this chapter. Payment of deferred property taxes after the delayed due date shall be collected in the same manner as delinquent property taxes.

Sec. 12. (a) If a payment of deferred property taxes is made, the county treasurer shall notify the county auditor, the county recorder, and the state board of accounts on the form and in the manner prescribed by the state board of accounts. Notice to the county recorder must be in the form of a release of the lien on the homestead for the deferred property taxes. Any payment of deferred property taxes made within a particular installment period must be delineated by taxing district throughout the settlement process.

(b) When payment of deferred property taxes is made, the deferred property taxes shall be apportioned and distributed among the respective funds of the taxing units in the same manner as other property taxes are apportioned and distributed in the calendar year in which the payment of deferred property taxes is made.

Sec. 13. Whenever an individual who is a qualified individual on an assessment date for which property taxes were deferred:

(1) ceases to use the homestead as the individual's principal place of residence as provided in section 4(3) of this chapter;

(2) ceases to have a qualified interest in the homestead; or

(3) changes the individual's qualified interest in the homestead;

or a surviving spouse becomes a qualified individual, a person responsible for paying the property taxes on the homestead shall notify the county auditor in the county where the homestead is located on the form and in the manner prescribed by the department of local government finance. The county auditor shall review the information filed under this section to determine whether a deferral termination event has occurred.

Sec. 14. (a) If, as the result of the filing of information with the county auditor or on the county auditor's own motion, the county auditor determines that a deferral termination event has occurred, the county auditor shall notify the county treasurer, the county recorder, and the department of local government finance on the form and in the manner prescribed by the department of local government finance.

(b) A county auditor shall give written notice of each determination under this chapter to the qualified individuals for the affected homestead.

Sec. 15. The county recorder shall record the following without charge in the miscellaneous records of the county recorder:

(1) A statement of the amount of property tax deferred.

(2) A statement of payment of deferred property taxes.

(3) A notice of termination of a deferral.

SECTION 90. IC 6-3-2-27.5, AS ADDED BY P.L.194-2023, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 27.5. (a) As used in this section, "compensation" means any wages, salaries, tips, or similar income that is subject to the withholding requirements under IC 6-3-4-8, or would otherwise be subject to the withholding requirements under IC 6-3-4-8 if not for the application of:

(1) IC 6-3-4-8(d);

(2) IC 6-3-5; or

(3) this section.

(b) As used in this section, "professional athlete" means:

(1) an athlete, other than a team member (as defined in section 2.7(a)(4) of this chapter) or a race team member (as defined in section 3.2(a)(4) of this chapter), who performs services in a professional athletic event for compensation;

(2) a team member (as defined in section 2.7(a)(4) of this chapter) who has at least one (1) duty day in Indiana during a taxable year; or

(3) a race team member (as defined in section 3.2(a)(4) of this chapter) who has at least one (1) duty day in Indiana during a taxable year.

(c) As used in this section, "professional entertainer" means a person who performs services in the professional performing arts for compensation on a per-event basis.

(d) As used in this section, "public figure" means a person of prominence who performs services at discrete events, including speeches, public appearances, and similar events, for compensation on a per-event basis.

(e) As used in this section, "time and attendance system" means a system:

(1) through which an employee is required, on a contemporaneous basis, to record the employee's work location for each day worked outside the state in which the employee's employment duties are primarily performed; and

(2) which is designed to allow the employer to allocate the employee's compensation for income tax purposes among all states in which the employee performs employment duties.

(f) Except as provided in subsection (j), compensation is exempt from the adjusted gross income tax imposed under this article and IC 6-3.6 if all of the following conditions are met:

(1) The individual is not a resident of Indiana at any time during the calendar year in which the employee performs employment duties.

(2) The individual receives compensation for employment duties performed by the individual in Indiana for thirty (30) days or less during the calendar year.

(3) The compensation is not paid for employment duties performed by the individual in the individual's capacity as a professional athlete, professional entertainer, or public figure.

(g) Except as otherwise provided in this section, an employer is not required to withhold taxes imposed under this article or IC 6-3.6 from compensation paid to an employee described in subsection (f). However, if the number of days that an employee performs employment duties in Indiana exceeds thirty (30) days, the employer shall withhold and remit tax to the state of Indiana from all compensation paid to the employee for every day on which the employee performed employment duties in Indiana, including the first thirty (30) days.

(h) The department may not require payment of any penalties otherwise applicable for a failure to deduct and withhold income taxes

under IC 6-3-4-8, if, when making the determination of whether withholding was required, either of the following applied:

(1) The employer relied on a time and attendance system maintained by the employer specifically designed to allocate employee wages for income tax purposes among all taxing jurisdictions in which the employee performs employment duties for the employer.

(2) The employer did not maintain a time and attendance system and the employer relied on the employee's annual determination of the time the employee expected to spend performing employment duties in Indiana, if:

(A) the employer did not have actual knowledge of fraud on the part of the employee in making the determination; and

(B) the employer and the employee did not collude to evade taxation in making the determination.

An employer's maintaining of records as described in subdivision (1) does not preclude an employer's ability to rely on an employee's determination of the time the employee expected to spend performing employment duties in Indiana as described in subdivision (2) when making the determination of whether withholding is required.

(i) For purposes of this section:

(1) subject to subdivision (3), an employee shall be considered present and performing employment duties within Indiana if the employee performs more of the employee's employment duties within Indiana than in any other state during a particular day;

(2) any portion of the day during which an employee is in transit may not be considered in determining the location of the employee's performance of employment duties; and

(3) if an employee performs employment duties in the employee's state of residence and in only one (1) nonresident state during a particular day, the employee shall be considered to have performed more of the employee's employment duties in the nonresident state than in the state of residence for that day.

(j) The following apply for purposes of this section:

(1) If an individual receives compensation for employment duties performed by the individual both:

(A) in the individual's capacity as a professional athlete, professional entertainer, or public figure; and

(B) in some capacity other than the individual's capacity as a professional athlete, professional entertainer, or public figure;

the exemption under this section may not be applied to the portion of compensation described in clause (B).

(2) If an employee is working at a location other than a physical location of the employer, the employee shall be considered to be working in the state or states in which the services for the employer are performed, regardless of the physical location of the employer.

(3) If an individual performs employment duties in Indiana for more than thirty (30) days during a calendar year, compensation received by the individual is not eligible for the exemption under this section.

(4) If an individual performs substantially similar job duties for an employer both while designated as an employee and in some capacity other than as an employee during a calendar year, the number of days for which the individual shall be considered to have worked in Indiana with regard to that employer must be determined by aggregating the days for which the individual performed duties for the employer, whether designated as an employee or not.

(5) If an employer or individual reasonably believes that an individual is an employee for a calendar year but the individual is later determined to not be an employee, the individual:

(A) is subject to tax under this article and IC 6-3.6 on any income that otherwise would have been exempt under this section; and

(B) is not subject to penalties under IC 6-3-4-4.1 or IC 6-8.1-10-2.1 based on the inclusion of amounts claimed as exempt under this section as income.

(6) If an individual is not a resident of Indiana, amounts paid for vacation, sick, personal, or any other type of leave may not be considered as compensation in Indiana, and any day for which a type of leave is used may not be considered as a day for which the individual performed services for an employer unless the individual performed services for the employer in Indiana on that day and the day would otherwise be counted as a day of services performed in Indiana under this section.

(7) The exemption provided under this section shall not apply to an individual's compensation that is deferred or delayed from a previous calendar year to a subsequent calendar year unless:

(A) the individual was exempt from taxation under this section on the compensation for the calendar year in which the compensation was earned; and

(B) the individual is not a resident of Indiana when the individual includes the compensation in the individual's

federal gross income.

(k) Nothing in this section may be construed to prevent an individual from being considered a local taxpayer ~~(as defined in IC 6-3.6-2-13(2)),~~ **(as defined in IC 6-3.6),** regardless of whether the individual's compensation is exempt under this section.

SECTION 91. IC 6-3.5-4-1, AS AMENDED BY P.L.256-2017, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. The following definitions apply throughout this chapter:

(1) "Adopting entity" means ~~either the county council or the local income tax council established by IC 6-3.6-3-1 for the county, whichever adopts an ordinance to impose a surtax first.~~ **the adopting body specified in IC 6-3.6-3-1(a).**

(2) "County council" includes the city-county council of a county that contains a consolidated city of the first class.

(3) "Vehicle" has the meaning set forth in IC 6-6-5-1(b).

(4) "Net vehicle excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.

(5) "Surtax" means the county vehicle excise tax imposed by an adopting entity under this chapter.

(6) "Transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets.

SECTION 92. IC 6-3.5-4-1.1, AS AMENDED BY P.L.197-2016, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1.1. ~~For purposes of acting as the adopting entity under this chapter, a local income tax council is comprised of the same members as the local income tax council that is established by IC 6-3.6-3-1 for the county.~~ The ~~local income tax council~~ **adopting entity** shall use the same procedures that apply under IC 6-3.6-3 when acting as an adopting entity under this chapter.

SECTION 93. IC 6-3.5-5-1, AS AMENDED BY P.L.256-2017, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. The following definitions apply throughout this chapter:

(1) "Adopting entity" means ~~either the county council or the local income tax council established by IC 6-3.6-3-1 for the county, whichever adopts an ordinance to impose a wheel tax first.~~ **the adopting body specified in IC 6-3.6-3-1(a).**

(2) "Bus" has the meaning set forth in IC 9-13-2-17.

(3) "Commercial vehicle" has the meaning set forth in

IC 6-6-5.5-1(b).

(4) "County council" includes the city-county council of a county that contains a consolidated city of the first class.

(5) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(b).

(6) "Political subdivision" has the meaning set forth in IC 34-6-2-110.

(7) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

(8) "School bus" has the meaning set forth in IC 9-13-2-161(a).

(9) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

(10) "State agency" has the meaning set forth in IC 34-6-2-141.

(11) "Tractor" has the meaning set forth in IC 9-13-2-180.

(12) "Trailer" has the meaning set forth in IC 9-13-2-184(a).

(13) "Transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets.

(14) "Truck" has the meaning set forth in IC 9-13-2-188(a).

(15) "Wheel tax" means the tax imposed under this chapter.

SECTION 94. IC 6-3.5-5-1.1, AS AMENDED BY P.L.197-2016, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1.1. ~~For purposes of acting as the adopting entity under this chapter, a local income tax council is comprised of the same members as the local income tax council that is established by IC 6-3.6-3-1 for the county.~~ The ~~local income tax council~~ **adopting entity** shall use the same procedures that apply under IC 6-3.6-3 when acting as an adopting entity under this chapter.

SECTION 95. IC 6-3.6-1-1, AS AMENDED BY P.L.130-2018, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. (a) The purpose of this article is to consolidate and simplify the various local income tax laws (referred to as a "former tax" in this article) that are in effect on May 1, 2016, into a uniform law that transitions each county from the former taxes to the tax governed by this article.

(b) Notwithstanding the effective date of the repeal of the former tax laws on January 1, 2017, an adopting body may not adopt any ordinances under a former tax after June 30, 2016. In addition, notwithstanding the effective date of this article being July 1, 2015, an adopting body may not take any action under this article before July 1, 2016.

(c) To carry out the transition, the office of management and budget, along with the appropriate state agencies and in cooperation with each county, shall do the following:

(1) Document all terms, conditions, limitations, and obligations that exist under the former taxes.

(2) Categorize the tax rate under the former taxes into the appropriate tax rate or rates under this article to provide revenue for all the same purposes for which revenue under a former tax was used in 2016, except to the extent required under this article and to the extent that an adopting body takes action under this article after June 30, 2016, to change the purposes and allocation of the revenue as permitted under this article. Matching the purposes of a former tax to the purposes under this article, including the apportionment, allocation, and distribution of revenue under this article shall be accomplished by using the best information available. These purposes include, but are not limited to, one (1) or more of the following:

(A) Property tax credits using the options set forth in IC 6-3.6-5 **(before its expiration).** This categorization is limited to former tax rates that were dedicated to providing credits against property taxes under IC 6-3.5-1.1-26 (repealed), IC 6-3.5-6 (repealed), or IC 6-3.5-7 (repealed).

(B) School corporation distributions and additional revenue. All former tax rates not used for a specified project or categorized under clause (A) shall be categorized under IC 6-3.6-6 using the former tax rates or dollar amounts that were dedicated for school corporation distributions, public safety, economic development, and certified shares.

(C) A special purpose project (IC 6-3.6-7) using the former tax rate that was dedicated to the project.

(d) The transition under this article shall be completed by August 1, 2016, for purposes of local government budgets for 2017 and for purposes of the distribution and allocation of revenue under this article after December 31, 2016.

SECTION 96. IC 6-3.6-1-1.5, AS ADDED BY P.L.197-2016, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1.5. (a) In counties that adopted a homestead credit under IC 6-3.5-6-13 (before its repeal January 1, 2017), the transition from the former taxes to the taxes governed under this article shall include the transition of the homestead credit under IC 6-3.5-6-13 (before its repeal January 1, 2017) to a property tax relief rate under IC 6-3.6-5 **(before its expiration).**

(b) To accomplish the transition under this section, the department of local government finance shall determine the portion of the income tax rate under IC 6-3.5-6-8 (before its repeal January 1, 2017) that is

attributable to the homestead credit approved under IC 6-3.5-6-13 (before its repeal January 1, 2017) and shall allocate that portion of the income tax rate that is attributable to the homestead credit under IC 6-3.5-6-13 (before its repeal January 1, 2017) to the property tax relief rate under IC 6-3.6-5 **(before its expiration).**

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

~~(d) The approval of the local income tax council is not required for the transition of the homestead credit under IC 6-3.5-6-13 (before its repeal January 1, 2017) to a property tax relief rate as set forth in this section.~~

(d) This section expires July 1, 2028.

SECTION 97. IC 6-3.6-1-3, AS AMENDED BY P.L.197-2016, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. **(a)** Except to the extent that taxes imposed in a county under or determined under:

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

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

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

SECTION 98. IC 6-3.6-1-4, AS AMENDED BY P.L.197-2016, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4. Notwithstanding:

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

a change in a tax imposed under a provision described in subdivisions (1) through (4), credits related to property taxes **provided under IC 6-3.6-5 (before its expiration),** allocations of tax revenue, and pledges for payment from tax revenue after December 31, 2016, must be made under this article and not under the provisions described in

subdivisions (1) through (4).

SECTION 99. IC 6-3.6-2-2, AS AMENDED BY P.L.239-2017, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 2. "Adjusted gross income" has the meaning set forth in IC 6-3-1-3.5. However:

~~(1) except as provided in subdivision (3), in the case of a local taxpayer who is not treated as a resident local taxpayer of a county, the term includes only adjusted gross income derived from the taxpayer's principal place of business or employment;~~

~~(2)~~ **(1)** in the case of a resident local taxpayer of Perry County, the term does not include adjusted gross income described in IC 6-3.6-8-7; and

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

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

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

SECTION 100. IC 6-3.6-2-4 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 4. "Attributed allocation amount" equals the sum of the following:~~

~~(1) The allocation amount of the civil taxing unit for that calendar year.~~

~~(2) In the case of a county taxing unit, the welfare allocation amount.~~

SECTION 101. IC 6-3.6-2-5, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 5. "Certified distribution" refers to the amount certified under ~~IC 6-3.6-9-5(b),~~ **IC 6-3.6-9-5(a),** as adjusted under IC 6-3.6-9.

SECTION 102. IC 6-3.6-2-7.4, AS AMENDED BY P.L.137-2024, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.4. "County with a single voting bloc" means a county that has a local income tax council in which one (1) city that is a member of the local income tax council or one (1) town that is a member of the local income tax council is allocated more than fifty percent (50%) of the total one hundred (100) votes allocated under IC 6-3.6-3-6(d). This section expires May 31, ~~2025.~~ **2027.**

SECTION 103. IC 6-3.6-2-12 IS REPEALED [EFFECTIVE JULY

1, 2027]. ~~Sec. 12. "Local income tax council" means a council established by IC 6-3.6-3-1.~~

SECTION 104. IC 6-3.6-2-13, AS AMENDED BY P.L.239-2017, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 13. "Local taxpayer" ~~as it relates to a particular county,~~ means any of the following:

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

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

(3) **As it relates to a particular county, and only for purposes of a rate imposed by a county under 6-3.6-6-2(b)(3), the term includes** an individual who:

(A) has income apportioned to Indiana as:

(i) a team member under IC 6-3-2-2.7; or

(ii) a race team member under IC 6-3-2-3.2;

for services rendered in the county; and

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

SECTION 105. IC 6-3.6-2-15, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 15. "Resident local taxpayer", as it relates to a particular county **(or municipality in the case of a local income tax imposed under IC 6-3.6-6-22),** means any local taxpayer who resides in that county **(or municipality in the case of a local income tax imposed under IC 6-3.6-6-22)** on the date specified in IC 6-3.6-8-3.

SECTION 106. IC 6-3.6-3-1, AS AMENDED BY P.L.137-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. (a) The **fiscal body of the county is the adopting body for a county.**

(b) The fiscal body of the city or town is the adopting body for a city or town for purposes of adopting a municipal rate under IC 6-3.6-6-22. ~~following is the adopting body for a county:~~

~~(1) The local income tax council in a county in which the county~~

~~income tax council adopted either:~~

~~(A) a county option income tax under IC 6-3.5-6 (repealed) that was in effect on January 1, 2015; or~~

~~(B) a county economic development income tax for the county under IC 6-3.5-7 (repealed) that was in effect on January 1, 2015.~~

~~(2) The county fiscal body in any other county.~~

~~(3) The county fiscal body for purposes of adopting a rate dedicated to paying for a PSAP in the county as permitted by IC 6-3.6-6-2.5.~~

~~(4) The county fiscal body for purposes of adopting a rate dedicated to paying for acute care hospitals in the county as permitted by IC 6-3.6-6-2.6.~~

~~(5) The county fiscal body for purposes of adopting a rate dedicated to paying for correctional facilities and rehabilitation facilities in the county as permitted by IC 6-3.6-6-2.7.~~

~~(b) A local income tax council is established for each county. The membership of each county's local income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.~~

SECTION 107. IC 6-3.6-3-3, AS AMENDED BY P.L.236-2023, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. (a) Except as provided in subsection (f), an ordinance adopted **by a county** under this article takes effect as provided in this section.

(b) An ordinance that adopts, increases, decreases, or rescinds a tax or a tax rate takes effect as follows:

~~(1) An ordinance adopted after December 31 of the immediately preceding year and before September 1 of the current year takes effect on October 1 of the current year.~~

~~(2) An ordinance adopted after August 31 and before November 1 of the current year takes effect on January 1 of the following year.~~

~~(3) An ordinance adopted after October 31 of the current year and before January 1 of the following year takes effect on October 1 of the following year.~~

(1) An ordinance adopted on or before October 1 of a calendar year shall take effect on January 1 of the calendar year that immediately succeeds the year in which the ordinance is adopted.

(2) An ordinance adopted after October 1 of a calendar year shall take effect on January 1 of the second succeeding

calendar year following the year the ordinance is adopted. However, an ordinance adopted to impose a tax rate under IC 6-3.6-6-2(b)(3) or IC 6-3.6-6-2(b)(4) must be adopted on or before October 1 of a calendar year.

(c) An ordinance that grants, increases, decreases, rescinds, or changes a credit against the property tax liability of a taxpayer **under IC 6-3.6-5 (before its expiration)** takes effect as follows:

(1) An ordinance adopted after December 31 of the immediately preceding year and before November 2 of the current year takes effect on January 1 of, and applies to property taxes first due and payable in, the year immediately following the year in which the ordinance is adopted.

(2) An ordinance adopted after November 1 of the current year and before January 1 of the immediately succeeding year takes effect on January 1 of, and applies to property taxes first due and payable in, the year that follows the current year by two (2) years.

This subsection expires December 31, 2027.

(d) An ordinance that grants, increases, decreases, rescinds, or changes a distribution or allocation of taxes takes effect as follows:

~~(1) An ordinance adopted after December 31 of the immediately preceding year and before November 2 of the current year takes effect January 1 of the year immediately following the year in which the ordinance is adopted.~~

~~(2) An ordinance adopted after November 1 of the current year and before January 1 of the immediately succeeding year takes effect January 1 of the year that follows the current year by two (2) years.~~

(1) An ordinance adopted on or before October 1 of a calendar year shall take effect on January 1 of the calendar year that immediately succeeds the year in which the ordinance is adopted.

(2) An ordinance adopted after October 1 of a calendar year shall take effect on January 1 of the second succeeding calendar year following the year the ordinance is adopted.

(e) An ordinance not described in subsections (b) through (d) takes effect as provided under IC 36 for other ordinances of the governmental entity adopting the ordinance.

(f) An ordinance described in section 7(e) or 7.5(e) of this chapter that changes a tax rate or changes the allocation of revenue received from a tax rate does not take effect as provided under this section if the county adopting body fails to meet the required deadlines for notice described in section 7(e) or 7.5(e) of this chapter. If an ordinance does

not take effect, the tax rate or allocation, as applicable, that is subject to the proposed change in the ordinance shall be the lesser of the:

(1) applicable distribution schedule for the certified distribution for the upcoming calendar year; or

(2) applicable distribution schedule for the certified distribution for the current calendar year;

unless, or until, a subsequent ordinance is adopted and the required deadlines for notice described in section 7(e) or 7.5(e) of this chapter are met. This subsection expires January 1, 2025.

SECTION 108. IC 6-3.6-3-3.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 3.3. (a) This section applies to an ordinance adopted by a city or town that adopts, increases, decreases, or rescinds a tax or a tax rate under IC 6-3.6-6-22.**

(b) An ordinance adopted by a city or town on or before October 1 of a calendar year shall take effect on January 1 of the calendar year that immediately succeeds the year in which the ordinance is adopted.

(c) An ordinance adopted by a city or town after October 1 of a calendar year shall take effect on January 1 of the second succeeding calendar year following the year the ordinance is adopted.

SECTION 109. IC 6-3.6-3-4, AS AMENDED BY P.L.236-2023, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4. (a) Except for a tax rate that has an expiration date, and except as provided in section 3(f) of this chapter (before its expiration), a tax rate remains in effect until the effective date of an ordinance that increases, decreases, or rescinds that tax rate.

(b) A tax rate may not be changed more than once each year under this article.

(c) A local income tax expenditure tax rate that is imposed in a county under IC 6-3.6-6 continues in effect after December 31, 2027, only if the adopting body adopts an ordinance to renew the expenditure tax rate beginning January 1, 2028. An ordinance under this subsection must be adopted by the adopting body on or before October 1, 2027, as set forth in section 3(b)(1) of this chapter. However, this subsection shall not be construed to prohibit an adopting body that fails to adopt an ordinance to continue an expenditure tax rate after December 31, 2027, from adopting an ordinance under this article to impose, renew, or modify an expenditure tax rate under IC 6-3.6-6 beginning January 1, 2029, or any year thereafter.

SECTION 110. IC 6-3.6-3-5, AS AMENDED BY P.L.137-2024, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 5. ~~(a)~~ The auditor of a county **(or the fiscal officer of a municipality in the case of a local income tax imposed under IC 6-3.6-6-22)** shall record all votes taken on ordinances presented for a vote under this article and not more than ten (10) days after the vote, send a certified copy of the results to:

(1) the commissioner of the department of state revenue; and

(2) the commissioner of the department of local government finance;

in an electronic format approved by the commissioner of the department of local government finance.

~~(b) Except as provided in subsection (c), this subsection applies only to a county that has a local income tax council. The county auditor may cease sending certified copies after the county auditor sends a certified copy of results showing that members of the local income tax council have cast a majority of the votes on the local income tax council for or against the proposed ordinance.~~

~~(c) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The county auditor may cease sending certified copies of the votes on the local income tax council voting as a whole under section 9.5 of this chapter after the county auditor sends a certified copy of results showing that the individuals who sit on the fiscal bodies of the county, cities, and towns that are members of the local income tax council have cast a majority of the votes on the local income tax council voting as a whole under section 9.5 of this chapter for or against the proposed ordinance. This subsection expires May 31, 2025.~~

SECTION 111. IC 6-3.6-3-6 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 6. (a) This section applies to a county in which the county adopting body is a local income tax council.~~

~~(b) In the case of a city or town that lies within more than one (1) county, the county auditor of each county shall base the allocations required by subsections (d) and (e) on the population of that part of the city or town that lies within the county for which the allocations are being made.~~

~~(c) Each local income tax council has a total of one hundred (100) votes.~~

~~(d) Each county, city, or town that is a member of a local income tax council is allocated a percentage of the total one hundred (100) votes that may be cast. The percentage that a city or town is allocated for a year equals the same percentage that the population of the city or town~~

bears to the population of the county. The percentage that the county is allocated for a year equals the same percentage that the population of all areas in the county not located in a city or town bears to the population of the county.

(e) This subsection applies only to a county with a single voting bloc. Each individual who sits on the fiscal body of a county, city, or town that is a member of the local income tax council is allocated for a year the number of votes equal to the total number of votes allocated to the particular county, city, or town under subsection (d) divided by the number of members on the fiscal body of the county, city, or town. This subsection expires May 31, 2025.

(f) On or before January 1 of each year, the county auditor shall certify to each member of the local income tax council the number of votes, rounded to the nearest one hundredth (0.01), each member has for that year.

(g) This subsection applies only to a county with a single voting bloc. On or before January 1 of each year, in addition to the certification to each member of the local income tax council under subsection (f), the county auditor shall certify to each individual who sits on the fiscal body of each county, city, or town that is a member of the local income tax council the number of votes, rounded to the nearest one hundredth (0.01), each individual has under subsection (e) for that year. This subsection expires May 31, 2025.

SECTION 112. IC 6-3.6-3-7 IS REPEALED [EFFECTIVE JULY 1, 2027]. Sec. 7. (a) This section applies to a county in which the county adopting body is a local income tax council.

(b) Before a member of the local income tax council may propose an ordinance under section 8 of this chapter, or vote on a proposed ordinance (including a proposed ordinance under section 8(e) of this chapter that is being considered by the local income tax council as a whole as required under section 9.5 of this chapter (before its expiration)), the member must hold a public hearing on the proposed ordinance and provide the public with notice of the time and place where the public hearing will be held.

(c) The notice required by subsection (b) must be given in accordance with IC 5-3-1 and include the proposed ordinance or resolution to propose an ordinance.

(d) In addition to the notice required by subsection (b), the adopting body shall also provide a copy of the notice to all taxing units in the county at least ten (10) days before the public hearing.

(e) If a county adopting body makes any fiscal decision that has a financial impact to an underlying local taxing unit, the decision must

~~be made, and notice must be given to the affected local taxing unit, by August 1 of a year. If a county adopting body passes an ordinance changing the allocation of local income tax revenue to a local taxing unit, the county adopting body must provide direct notice, in addition to the public notice described in subsection (b), to the affected local taxing unit within fifteen (15) days of the passage of the ordinance. The county adopting body must provide confirmation to the department of state revenue and the department of local government finance that direct notice was provided to the affected local taxing units within fifteen (15) days of the passage of the ordinance.~~

SECTION 113. IC 6-3.6-3-8 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 8. (a) This section applies to a county in which the county adopting body is a local income tax council.~~

~~(b) Except as provided in subsection (c), any member of a local income tax council may present an ordinance for passage. To do so, the member must adopt a resolution to propose the ordinance to the local income tax council and distribute a copy of the proposed ordinance to the county auditor. The county auditor shall treat any proposed ordinance distributed to the auditor under this section as a casting of all that member's votes in favor of the proposed ordinance.~~

~~(c) Except as provided in subsection (f), the county auditor shall deliver copies of a proposed ordinance the auditor receives to all members of the local income tax council within ten (10) days after receipt. Subject to subsection (d), once a member receives a proposed ordinance from the county auditor, the member shall vote on it within thirty (30) days after receipt.~~

~~(d) Except as provided in subsection (h), if, before the elapse of thirty (30) days after receipt of a proposed ordinance, the county auditor notifies the member that the members of the local income tax council have cast a majority of the votes on the local income tax council for or against the proposed ordinance the member need not vote on the proposed ordinance.~~

~~(e) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The fiscal body of any county, city, or town that is a member of a local income tax council may adopt a resolution to propose an ordinance to increase a tax rate in the county to be voted on by the local income tax council as a whole as required under section 9.5 of this chapter and distribute a copy of the proposed ordinance to the county auditor. The county auditor shall treat the vote tally on the resolution adopted under this subsection for each individual who is a member of the fiscal body of the county, city, or town as the voting record for that individual~~

either for or against the ordinance being proposed for consideration by the local income tax council as a whole under section 9.5 of this chapter. This subsection expires May 31, 2025.

(f) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The county auditor shall deliver copies of a proposed ordinance the auditor receives under subsection (e) to the fiscal officers of all members of the local income tax council (other than the member proposing the ordinance under subsection (e)) within ten (10) days after receipt. Subject to subsection (h), once a member receives a proposed ordinance from the county auditor, the member shall vote on it within thirty (30) days after receipt. This subsection expires May 31, 2025.

(g) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. The fiscal body of each county, city, or town voting on a resolution to propose an ordinance under subsection (e), or voting on a proposed ordinance being considered by the local income tax council as a whole under section 9.5 of this chapter, must take a roll call vote on the resolution or the proposed ordinance. If an individual who sits on the fiscal body is absent from the meeting in which a vote is taken or abstains from voting on the resolution or proposed ordinance, the fiscal officer of the county, city, or town shall nevertheless consider that individual's vote as a "no" vote against the resolution or the proposed ordinance being considered, whichever is applicable, for purposes of the vote tally under this section and shall note on the vote tally that the individual's "no" vote is due to absence or abstention. The fiscal body of each county, city, or town shall certify the roll call vote on a resolution or a proposed ordinance, either for or against, to the county auditor as set forth under this chapter. This subsection expires May 31, 2025.

(h) This subsection applies only to a county with a single voting bloc that proposes to increase (but not decrease) a tax rate in the county. If, before the elapse of thirty (30) days after receipt of a proposed ordinance under subsection (e), the county auditor notifies the member that the individuals who sit on the fiscal bodies of the county, cities, and towns that are members of the local income tax council have cast a majority of the votes on the local income tax council for or against a proposed ordinance voting as a whole under section 9.5 of this chapter, the member need not vote on the proposed ordinance under subsection (e). This subsection expires May 31, 2025.

SECTION 114. IC 6-3.6-3-9 IS REPEALED [EFFECTIVE JULY 1, 2027]. Sec. 9. (a) Except as provided in subsection (d), this section

~~applies to a county in which the county adopting body is a local income tax council.~~

~~(b) A member of the local income tax council may exercise its votes by passing a resolution and transmitting the resolution to the county auditor.~~

~~(c) A resolution passed by a member of the local income tax council exercises all votes of the member on the proposed ordinance, and those votes may not be changed during the year.~~

~~(d) This section does not apply to a county in which the county adopting body is a local income tax council to which section 9.5 of this chapter applies. This subsection expires May 31, 2024.~~

SECTION 115. IC 6-3.6-3-9.5, AS AMENDED BY P.L.137-2024, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9.5. (a) This section applies to a county:

(1) in which the county adopting body is a local income tax council;

(2) that is a county with a single voting bloc; and

(3) that proposes to increase a tax rate in the county.

However, the provisions under section 9 of this chapter shall apply to a county described in subdivisions (1) and (2) that proposes to decrease a tax rate in the county.

(b) A local income tax council described in subsection (a) must vote as a whole to exercise its authority to increase a tax rate under this article.

(c) A resolution passed by the fiscal body of a county, city, or town that is a member of the local income tax council exercises the vote of each individual who sits on the fiscal body of the county, city, or town on the proposed ordinance, and the individual's vote may not be changed during the year.

(d) This section expires May 31, ~~2025.~~ **2027.**

SECTION 116. IC 6-3.6-3-10 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 10. (a) This section applies to a county in which the county adopting body is a local income tax council.~~

~~(b) A local income tax council may pass only one (1) ordinance adopting, increasing, decreasing, or rescinding a tax in one (1) year. Once the ordinance has been passed, the county auditor shall:~~

~~(1) cease distributing those types of proposed ordinances for the rest of the year; and~~

~~(2) withdraw from the membership any other of those types of proposed ordinances.~~

~~Any votes subsequently received by the county auditor on those types of proposed ordinances during that same year are void.~~

~~(c) The local income tax council may not vote on, nor may the county auditor distribute to the members of the local income tax council, any proposed ordinance during a year, if previously during that same year the county auditor received and distributed to the members of the local income tax council a proposed ordinance whose passage would have substantially the same effect.~~

SECTION 117. IC 6-3.6-4-1, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 1. (a) **Except as otherwise provided in IC 6-3.6-6-22,** a tax is imposed on the adjusted gross income of local taxpayers at a tax rate that is a sum of the tax rates imposed by the county's adopting body and in effect in the county.

(b) **Except as otherwise provided in IC 6-3.6-6-22,** the combined tax rates imposed under IC 6-3.6-5 **(before its expiration),** IC 6-3.6-6, and IC 6-3.6-7 constitute the tax imposed on the adjusted gross income of local taxpayers in the county.

(c) In addition to the tax imposed in the county under subsection (a), a tax is imposed on the adjusted gross income of local taxpayers in a municipality at a tax rate that is imposed by the municipality under IC 6-3.6-6-22 and in effect in the municipality.

SECTION 118. IC 6-3.6-4-2, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 2. Subject to section 3 of this chapter, a tax rate authorized under ~~IC 6-3.6-5,~~ IC 6-3.6-6 or IC 6-3.6-7 may be adopted, increased, decreased, or rescinded without adopting, increasing, decreasing, or rescinding a tax rate authorized by ~~either of~~ the ~~two (2)~~ other ~~chapters.~~ **chapter.** However, an adopting body may:

(1) adopt, increase, decrease, or rescind a tax authorized under a particular chapter of this article; and

(2) adopt, increase, decrease, or rescind a tax authorized under another chapter of this article;

in the same ordinance.

SECTION 119. IC 6-3.6-4-3, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 3. If there are bonds or leases outstanding that are payable from a tax imposed under IC 6-3.5-1.1 (before its repeal January 1, 2017), IC 6-3.5-6 (before its repeal January 1, 2017), IC 6-3.5-7 (before its repeal January 1, 2017), IC 6-3.6-6, or IC 6-3.6-7, ~~(but not IC 6-3.6-5),~~ the adopting body may not reduce the tax rate below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual outstanding debt service plus the highest annual lease payments plus any amount required under the

agreements for the bonds or leases to be deposited in a sinking fund or other reserve, unless:

(1) the adopting body; or

(2) any city, town, or county;

pledges all or a part of its share of revenues from the tax imposed under IC 6-3.6-6 or IC 6-3.6-7 ~~(but not IC 6-3.6-5)~~ for the life of the bonds or the term of the lease, in an amount that is sufficient, when combined with the amount pledged by the city, town, or county that issued the bonds, to produce one and twenty-five hundredths (1.25) times the total of the highest annual outstanding debt service plus the highest annual lease payments plus the amount required under the agreements for the bonds or leases to be deposited in a sinking fund or other reserve.

SECTION 120. IC 6-3.6-5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 7. This chapter expires December 31, 2027.**

SECTION 121. IC 6-3.6-6-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 0.5. As used in this chapter, "nonmunicipal civil taxing unit" means townships, libraries, and all other civil taxing units that imposed an ad valorem property tax levy in the county for the calendar year preceding the distribution year, except that the term does not include counties, cities, towns, or school corporations. The term does include those civil taxing units whose budgets require binding review by another local unit.**

SECTION 122. IC 6-3.6-6-2, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 2. (a) This section applies to all counties.

~~(b) The adopting body may impose a tax rate under this chapter that does not exceed:~~

~~(1) two and five-tenths percent (2.5%) in all counties other than Marion County; and~~

~~(2) two and seventy-five hundredths percent (2.75%) in Marion County;~~

~~on the adjusted gross income of local taxpayers in the county served by the adopting body.~~

(b) The adopting body may by ordinance and subject to subsections (c) through (e) impose one (1) or more of the following component rates not to exceed a total expenditure tax rate under this chapter of two and nine-tenths percent (2.9%) on the adjusted gross income of taxpayers who reside in the county:

(1) A tax rate not to exceed one and two-tenths percent (1.2%) for general purpose revenue for county services (as provided

in section 4 of this chapter), subject to subsection (c).

(2) A tax rate not to exceed four-tenths of one percent (0.4%) for providers of fire protection and emergency medical services located within the county (as provided in section 4.3 of this chapter), subject to subsection (c).

(3) A tax rate not to exceed two-tenths of one percent (0.2%) for general purpose revenue for distribution to nonmunicipal civil taxing units (excluding fire protection districts) located within the county (as provided in section 4.5 of this chapter), subject to subsection (c).

(4) A tax rate not to exceed one and two-tenths percent (1.2%) for general purpose revenue for municipal services for distribution to municipalities located within the county that are not eligible to adopt a municipal tax rate under section 22 of this chapter or that have made an election under section 23(b)(3) of this chapter to be treated as such.

(c) The combined component rates imposed by an adopting body under subsection (b)(1) through (b)(3) shall not exceed one and seven-tenths percent (1.7%).

(d) A tax rate adopted under subsection (b)(4) may only be imposed on taxpayers who do not reside in a municipality that is eligible to adopt a municipal tax rate under section 22 of this chapter.

(e) Beginning after December 31, 2030, a tax rate imposed under subsection (b) shall expire on December 31 of each calendar year. An adopting body wishing to continue, increase, or decrease a tax rate in the succeeding year must pass an ordinance to readopt a tax rate in accordance with IC 6-3.6-3-3. This subsection applies regardless of whether there is a modification in the tax rate or the component rates or the rates are unchanged from the previous year.

SECTION 123. IC 6-3.6-6-2.5 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. ~~Sec. 2.5. (a) This section applies to a county in which the adopting body:~~

~~(1) is the local income tax council; and~~

~~(2) did not allocate the revenue under this chapter from an expenditure rate of at least one-tenth of one percent (0.1%) to pay for a PSAP in the county for a year.~~

~~(b) A county fiscal body may adopt an ordinance to impose a tax rate for a PSAP in the county. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed one-tenth of one percent (0.1%).~~

(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used only for paying for a PSAP in the county.

SECTION 124. IC 6-3.6-6-2.6 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. Sec. 2.6. (a) As used in this section, "acute care hospital" means an acute care hospital that is:

(1) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23; and

(2) licensed under IC 16-21.

(b) A county fiscal body may adopt an ordinance to impose a tax rate for acute care hospitals located in the county. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed one-tenth of one percent (0.1%).

(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used only for the operating expenses of the acute care hospital located in the county.

SECTION 125. IC 6-3.6-6-2.7 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. Sec. 2.7. (a) A county fiscal body may adopt an ordinance to impose a tax rate for correctional facilities and rehabilitation facilities in the county. The tax rate must be in increments of:

(1) in the case of a county with bonds or lease agreements outstanding on July 1, 2023, for which a pledge of tax revenue from revenue received under a tax rate imposed under this section is made, one-hundredth of one percent (0.01%) and may not exceed three-tenths of one percent (0.3%); and

(2) in the case of a county with no bonds or lease agreements outstanding on July 1, 2023, for which a pledge of tax revenue from revenue received under a tax rate imposed under this section is made, one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%).

(b) The tax rate imposed under this section may not be in effect for more than:

(1) twenty-two (22) years, in the case of a tax rate imposed in an ordinance adopted before January 1, 2019; or

(2) twenty-five (25) years, in the case of a tax rate imposed in an ordinance adopted on or after January 1, 2019.

(c) The revenue generated by a tax rate imposed under this section

must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used by the county only for paying for correctional facilities and rehabilitation facilities in the county.

(d) If a county fiscal body imposes a tax rate:

(1) under subsection (a)(1) or (a)(2) in an increment that does not exceed two-tenths of one percent (0.2%), one hundred percent (100%) of the revenue collected from the total tax rate; or

(2) under subsection (a)(1) in an increment that exceeds two-tenths of one percent (0.2%):

(A) one hundred percent (100%) of the revenue collected from that portion of the total tax rate that does not exceed an increment of two-tenths of one percent (0.2%); and

(B) no revenue collected from that portion of the total tax rate that exceeds an increment of two-tenths of one percent (0.2%);

may be used for operating expenses for correctional facilities and rehabilitation facilities in the county.

SECTION 126. IC 6-3.6-6-2.8 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. Sec. 2.8. (a) As used in this section, "emergency medical services" has the meaning set forth in IC 16-18-2-110.

(b) The fiscal body of a county may adopt an ordinance to impose a tax rate for emergency medical services in the county. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). The tax rate may not be in effect for more than twenty-five (25) years.

(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used by the county only for paying for operating costs incurred by the county for emergency medical services that are provided throughout the county.

SECTION 127. IC 6-3.6-6-2.9 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. Sec. 2.9. (a) For purposes of this section, "courtroom costs" includes staffing costs only for the court reporter, court bailiff, or court administrator.

(b) A county fiscal body may adopt an ordinance to impose a tax rate for:

(1) in the case of a tax rate adopted under this section before January 1, 2024, county staff expenses of the state judicial system in the county; or

(2) in the case of a tax rate adopted under this section after

~~December 31, 2023, courtroom costs of the state judicial system in the county.~~

~~The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed two-tenths of one percent (0.2%). The tax rate may not be in effect for more than twenty-five (25) years.~~

~~(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund. The revenue shall be used by the county:~~

~~(1) in the case of a tax rate adopted under this section before January 1, 2024, only for paying for county staff expenses of the state judicial system in the county; and~~

~~(2) in the case of a tax rate adopted under this section after December 31, 2023, only for paying the courtroom costs of the state judicial system in the county.~~

~~(d) This subsection applies to a tax rate adopted under subsection (b)(1). The local income tax revenue budgeted and spent under this section by each county may not comprise more than fifty percent (50%) of the county's total budgeted operational staffing expenses related to the state judicial system in any given year.~~

~~(e) This subsection applies to a tax rate adopted under subsection (b)(2). The local income tax revenue spent under this section by each county may not comprise more than fifty percent (50%) of the county's total operational staffing expenses related to the courtroom costs of the state judicial system in any given year.~~

~~(f) Counties that enact an ordinance to impose a tax rate under this section shall annually report the following information for the prior calendar year by May 1 to the justice reinvestment advisory council established by IC 33-38-9.5-2:~~

~~(1) The types of court positions paid with local income tax revenue generated by this section.~~

~~(2) The number of court positions by type paid for with local income tax revenue generated by this section.~~

~~(3) The average salary by type of court position paid for with local income tax revenue generated by this section.~~

~~(4) The county's total budgeted and actual staffing expenses or courtroom costs, whichever is applicable, related to the state judicial system.~~

~~(5) The county's portion of local income tax revenue that was actually spent on staffing expenses or courtroom costs, whichever is applicable, related to the state judicial system.~~

~~(g) The justice reinvestment advisory council shall annually compile and report to the legislative council prior to July 1 of each year the information required in subsection (f) for each county. The report must be in an electronic format under IC 5-14-6.~~

SECTION 128. IC 6-3.6-6-3, AS AMENDED BY P.L.137-2024, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. ~~(a) Revenue raised from a tax imposed under this chapter shall be treated as follows:~~

~~(1) To make the following distributions:~~

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

~~(B) If an ordinance described in section 2.6 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.6 of this chapter.~~

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

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

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

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

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

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

~~(b)~~ In the case of a civil taxing unit that has pledged the tax from ~~additional~~ **general purpose** revenue for the payment of bonds, leases, or other obligations as reported by the civil taxing unit under IC 5-1-18, the adopting body may not ~~under section 4 of this chapter,~~ reduce the proportional allocation of the ~~additional~~ **general purpose** revenue that was allocated in the preceding year if the reduction for that year would result in an amount less than the amount necessary for the payment of bonds, leases, or other obligations payable or required to be deposited in a sinking fund or other reserve in that year for the bonds, leases, or other obligations for which the tax from ~~additional~~ **general purpose** revenue has been pledged. To inform an adopting body with regard to allocations that affect the payment of bonds, leases, or other obligations, a taxing unit may provide the adopting body with information regarding any outstanding bonds, leases, or other obligations that are secured by ~~additional~~ **general purpose** revenue. The information must be provided before the date of the public hearing at which the adopting body may change the allocation of ~~additional~~ **general purpose** revenue under section 4 of this chapter.

SECTION 129. IC 6-3.6-6-3.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 3.1. (a) As used in this section, "homestead" has the meaning set forth in IC 6-1.1-12-37.**

(b) A county fiscal body may adopt an ordinance to impose a tax rate for the purpose of funding property tax homestead credits to reduce the property tax liability of taxpayers who own homesteads that are:

(1) located in the county; and

(2) eligible for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax liability for the property to one percent (1%).

Revenue collected from a tax rate imposed under this section may only be used to fund replacement of the county's property tax levy. Property taxes imposed due to a referendum in which a majority of the voters in the taxing unit imposing the property taxes approved the property taxes are not eligible for a credit under this section.

(c) The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed three-tenths of one percent (0.3%).

(d) A tax imposed under this section shall be treated as property taxes for all purposes. However, the department of local

government finance may not reduce:

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

(2) the approved property tax levy or rate for any fund;

by the amount of any credits granted under this chapter.

(e) The homestead credits shall be applied to the net property taxes due on the homestead after the application of any credit granted under IC 6-1.1, including any credit granted under IC 6-1.1-20.4 and IC 6-1.1-20.6.

(f) The property tax credits must be applied uniformly to provide a homestead credit for homesteads in the county.

(g) The county auditor shall allocate the amount of revenue applied as tax credits under this section to the taxing units that imposed the eligible property taxes against which the credits are applied.

(h) The department of local government finance shall assist county fiscal bodies and county auditors in calculating credit percentages and amounts.

(i) Notwithstanding any provision to the contrary in this chapter, a tax imposed under this section:

(1) may be imposed on the adjusted gross income of taxpayers before January 1, 2028; and

(2) terminates and may not be imposed on the adjusted gross income of taxpayers after December 31, 2027.

(j) This section expires January 1, 2028.

SECTION 130. IC 6-3.6-6-4, AS AMENDED BY P.L.247-2017, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4. **(a) General purpose revenue raised from a tax rate under section 2(b)(1) of this chapter must be distributed directly to the county. The money may be used by the county fiscal body for any of the purposes of the county, including for:**

(1) public safety, including funding for a PSAP;

(2) economic development purposes described in IC 6-3.6-10;

(3) acute care hospitals;

(4) correctional facilities and rehabilitation facilities;

(5) county staff expenses of the state judicial system; and

(6) homestead property tax credits to fund replacement of the county's property tax levy.

(b) The adopting body shall, by ordinance, determine how ~~the additional~~ **general purpose** revenue from a tax under this chapter must be allocated in subsequent years. The allocations are subject to IC 6-3.6-11. The ordinance must be adopted as provided in IC 6-3.6-3

and takes effect and applies as specified in IC 6-3.6-3-3. The ordinance continues to apply thereafter until it is rescinded or modified. ~~The revenue must be allocated among one (1) or more of the following uses as provided in this chapter:~~

~~(1) Public safety.~~

~~(2) Economic development projects.~~

~~(3) Certified shares.~~

~~The ordinance must describe the allocation of additional revenue by use of percentages.~~

SECTION 131. IC 6-3.6-6-4.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 4.3. (a) Revenue raised from a tax rate for fire protection and emergency medical services under section 2(b)(2) of this chapter shall be distributed by the county to each fire protection district, fire protection territory, and municipal fire department located within the county. At the discretion of the county council, the county may distribute revenue raised from a tax rate for fire protection and emergency medical services under section 2(b)(2) of this chapter to township fire departments and volunteer fire departments.**

(b) Revenue raised from a tax rate for fire protection and emergency medical services under section 2(b)(2) of this chapter shall be allocated to each fire protection district, fire protection territory, municipal fire department, and, if applicable, township fire departments and volunteer fire departments, based on the following formula:

STEP ONE: For each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section, determine the population living within the service boundaries of the provider using the most recent federal decennial census.

STEP TWO: For each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section, determine the number of square miles within the service boundaries of the provider.

STEP THREE: For each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section, determine the product of:

(A) the STEP TWO amount; multiplied by

(B) twenty (20).

STEP FOUR: For each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section, determine the sum of:

(A) the STEP ONE result; plus

(B) the STEP THREE result.

STEP FIVE: Determine the sum total of the STEP FOUR results for each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section.

STEP SIX: The percentage of revenue that shall be distributed to each provider of fire protection and emergency medical services located within the county that is eligible to receive revenue under this section is equal to:

(A) the STEP FOUR result for the provider; divided by

(B) the STEP FIVE result.

SECTION 132. IC 6-3.6-6-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 4.5. (a) Revenue raised from a tax rate for nonmunicipal civil taxing units under section 2(b)(3) of this chapter may be distributed by the county to nonmunicipal civil taxing units subject to the provisions of this section.**

(b) Subject to the maximum aggregate tax rate of not more than two-tenths of one percent (0.2%) under section 2(b)(3) of this chapter, the adopting body may adopt a tax rate for each type of nonmunicipal civil taxing unit, which may not exceed more than five-hundredths of one percent (0.05%) for any given unit type. The revenue raised from a tax rate for a specific type of nonmunicipal civil taxing unit shall be allocated to all nonmunicipal civil taxing units of that same type located within the county on a pro rata per capita basis, subject to subsection (e).

(c) A county solid waste management district (as defined in IC 13-11-2-47) or a joint solid waste management district (as defined in IC 13-11-2-113) is not an eligible nonmunicipal civil taxing unit for the purpose of receiving an allocation of general purpose revenue under this chapter unless a majority of the members of each of the county fiscal bodies of the counties within the district passes a resolution approving the distribution.

(d) A resolution passed by a county fiscal body under subsection (c) may:

(1) expire on a date specified in the resolution; or

(2) remain in effect until the county fiscal body revokes or

rescinds the resolution.

(e) A nonmunicipal civil taxing unit wishing to receive a share of revenue under this section in a year must adopt a resolution requesting the distribution from the county and must provide a certified copy of the resolution to the adopting body not later than July 1 of the year immediately preceding the distribution year. Not later than August 1 of the year immediately preceding the distribution year, the adopting body shall hold a public hearing on the resolution requesting the distribution and provide the public with notice of the time and place where the public hearing will be held. The notice must be given in accordance with IC 5-3-1 and include a description of the resolution requesting the distribution from the county.

(f) If a nonmunicipal civil taxing unit adopts a resolution under this subsection and provides the resolution to the adopting body as set forth in this subsection, the county shall distribute to the nonmunicipal civil taxing unit an amount of revenue raised from the tax rate under section 2(b)(3) of this chapter for the distribution year as set forth in subsection (f).

(g) If one (1) or more, but not all, nonmunicipal civil taxing units adopt a resolution under subsection (e) requesting a distribution in a given year, the county may either distribute the total amount of revenue raised from the tax rate under section 2(b)(3) of this chapter to only those nonmunicipal civil taxing units that have provided a resolution request, or the county may distribute the total amount of revenue raised from a tax rate under section 2(b)(3) of this chapter to all nonmunicipal civil taxing units as set forth in this section. If no nonmunicipal civil taxing units adopt a resolution to request a distribution in a given year, the county may retain the revenue raised from a tax rate for nonmunicipal civil taxing units for that year and use the revenue as general purpose revenue for the county under section 4 of this chapter.

SECTION 133. IC 6-3.6-6-6.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 6.1. (a) Revenue raised from a tax rate for certain cities and towns under section 2(b)(4) of this chapter may be distributed by the county to those cities and towns subject to the provisions of this section.**

(b) Subject to subsection (g), the revenue raised from a tax rate under section 2(b)(4) of this chapter shall be allocated to the cities and towns based on the population of the city or the population of

the town, whichever is applicable, compared to the population of all the cities or the population of all the towns, whichever is applicable, that are eligible for a distribution, subject to subsection (d). For purposes of this determination, if the boundaries of a city or town are located in more than one (1) county, only the portion of the population of the city or town that is located within the county imposing the tax rate under section 2(b)(4) of this chapter shall be considered.

(c) The money may be used by the city or town fiscal body for any of the purposes of the city or town, including public safety (as defined in IC 6-3.6-2-14) and economic development purposes described in IC 6-3.6-10. The city or town fiscal body may pledge its general purpose revenue to the payment of bonds or to lease payments as set forth in this chapter.

(d) An eligible city or town wishing to receive a share of revenue under this section in a year must adopt a resolution requesting the distribution from the county and must provide a certified copy of the resolution to the adopting body not later than July 1 of the year immediately preceding the distribution year. Not later than August 1 of the year immediately preceding the distribution year, the adopting body shall hold a public hearing on the resolution requesting the distribution and provide the public with notice of the time and place where the public hearing will be held. The notice must be given in accordance with IC 5-3-1 and include a description of the resolution requesting the distribution from the county.

(e) Subject to subsection (g), if an eligible city or town adopts a resolution under this subsection and provides the resolution to the adopting body as set forth in this subsection, the county shall distribute to the eligible city or town unit an amount of revenue raised from the tax rate under section 2(b)(4) of this chapter for the distribution year as set forth in subsection (f).

(f) Subject to subsection (g), if one (1) or more, but not all, eligible cities or towns adopt a resolution under subsection (d) requesting a distribution in a given year, the county may either distribute the total amount of revenue raised from the tax rate under section 2(b)(4) of this chapter to only those eligible cities or towns that have provided a resolution request, or the county may distribute the total amount of revenue raised from a tax rate under section 2(b)(4) of this chapter to all eligible cities or towns as set forth in this section. If no eligible city or town adopts a resolution to request a distribution in a given year, the county may retain the

revenue raised from a tax rate for the eligible city or town for that year and use the revenue as general purpose revenue for the county under section 4 of this chapter.

(g) Notwithstanding any provision to the contrary in this section, if an adopting body that imposes a tax rate under section 2(b)(1) of this chapter subsequently adopts an ordinance to concurrently impose a tax rate under section 2(b)(4) of this chapter:

(1) seventy-five percent (75%) of the revenue received from the tax rate imposed under section 2(b)(4) of this chapter shall be retained by the county and may be used for the purposes described in section 4 of this chapter; and

(2) twenty-five percent (25%) of the revenue received from the tax rate imposed under section 2(b)(4) of this chapter shall be distributed among the eligible cities and towns as set forth in this section and may be used for the purposes set forth in this section.

However, the adopting body may, by ordinance, determine to allocate any percentage of the revenue that would otherwise be retained by the county under subdivision (1) to instead be allocated among the eligible cities and towns under subdivision (2).

SECTION 134. IC 6-3.6-6-8, AS AMENDED BY P.L.101-2024, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 8. ~~(a) This section applies to the allocation of additional revenue from a tax under this chapter to public safety purposes. Funding dedicated for a PSAP under a former tax continues to apply under this chapter until it is rescinded or modified. If funding was not dedicated for a PSAP under a former tax, the adopting body may adopt a resolution providing that all or part of the additional revenue allocated to public safety is to be dedicated for a PSAP. The resolution first applies in the following year and then thereafter until it is rescinded or modified. Funding dedicated for a PSAP shall be allocated and distributed as provided in IC 6-3.6-11-4.~~

~~(b) Except as provided in subsections (c) and (d), the amount of the certified distribution that is allocated to public safety purposes, and after making allocations under IC 6-3.6-11, shall be allocated to the county and to each municipality in the county that is carrying out or providing at least one (1) public safety purpose. For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts (except for a public library district, a public transportation corporation, and a health and~~

~~hospital corporation), and all special service districts. The amount allocated under this subsection to a county or municipality is equal to the result of:~~

~~(1) the amount of the remaining certified distribution that is allocated to public safety purposes; multiplied by~~

~~(2) a fraction equal to:~~

~~(A) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-6 (repealed), the result of the total property taxes imposed in the county by the county or municipality for the calendar year preceding the distribution year, divided by the sum of the total property taxes imposed in the county by the county and each municipality in the county that is entitled to a distribution under this section for that calendar year; or~~

~~(B) in the case of a county that initially imposed a rate for public safety under IC 6-3.5-1.1 (repealed) or a county that did not impose a rate for public safety under either IC 6-3.5-1.1 (repealed) or IC 6-3.5-6 (repealed), the result of the attributed allocation amount of the county or municipality for the calendar year preceding the distribution year, divided by the sum of the attributed allocation amounts of the county and each municipality in the county that is entitled to a distribution under this section for that calendar year.~~

~~(c)~~ **(a)** A fire department, volunteer fire department, or emergency medical services provider that:

(1) provides fire protection or emergency medical services within the county; and

(2) is operated by or serves a political subdivision that is not otherwise entitled to receive a distribution of tax revenue under this section;

may, before July 1 of a year, apply to the adopting body for a distribution of tax revenue under ~~this~~ section **4.3 of this chapter** during the following calendar year. The adopting body shall review an application submitted under this subsection. However, after giving notice under IC 5-3-1, the adopting body shall review an application by a township that provided fire protection or emergency medical services in the most recent calendar year and imposed a property tax levy for the provision of fire protection or emergency medical services within the county in the most recent calendar year at a public hearing. The adopting body may review multiple applications submitted under this subsection at one (1) public hearing. If applicable, a township shall present and explain its application at the public hearing. Not later than

ten (10) days after the public hearing, if applicable, but before September 1 of a year, the adopting body may adopt a resolution requiring that one (1) or more of the applicants shall receive a specified amount of the tax revenue to be distributed under ~~this~~ section **4.3 of this chapter** during the following calendar year. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. ~~Any amount of tax revenue distributed under this subsection to a fire department, volunteer fire department, or emergency medical services provider shall be distributed before the remainder of the tax revenue is allocated under subsection (b).~~

~~(d)~~ **(b)** A township fire department, volunteer fire department, fire protection territory, or fire protection district that:

(1) provides fire protection or emergency medical services within a county; and

(2) is operated by or serves a political subdivision;

may, before July 1 of a year, apply to the adopting body for a distribution of tax revenue under ~~this~~ section **4.3 of this chapter** during the following calendar year. The adopting body shall review an application submitted under this subsection. However, after giving notice under IC 5-3-1, the adopting body shall review an application submitted by a township that provided fire protection or emergency medical services in the most recent calendar year and that imposed a property tax levy for the provision of fire protection or emergency medical services within the county in the most recent calendar year at a public hearing. The adopting body may review multiple applications submitted under this subsection at one (1) public hearing. If applicable, a township shall present and explain its application at the public hearing. From the amount of the certified distribution that is allocated to public safety purposes, and after making allocations under IC 6-3.6-11, the adopting body may adopt a resolution that one (1) or more township fire departments, volunteer fire departments, fire protection territories, or fire protection districts shall receive an amount of the tax revenue to be distributed under ~~this~~ section **4.3 of this chapter** during the following calendar year up to one hundred percent (100%) of the revenue collected from that portion of the tax rate imposed for allocations for public safety purposes that does not exceed a rate of five one-hundredths of one percent (0.05%). A resolution adopted under this subsection must include information on the service

area for each township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable. Any distribution under this subsection must be based on the assessed value of real property, not including land, that is served by each township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable. The adopting body shall provide a copy of the resolution to the county auditor and the department of local government finance not more than fifteen (15) days after the resolution is adopted. A resolution adopted under this subsection and provided in a timely manner to the county auditor and the department applies only to distributions in the following calendar year. ~~Any amount of tax revenue distributed under this subsection to a township fire department, volunteer fire department, fire protection territory, or fire protection district, as applicable, shall be distributed before the remainder of the tax revenue is allocated under subsection (b).~~

SECTION 135. IC 6-3.6-6-8.5, AS AMENDED BY P.L.104-2022, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 8.5. (a) This section applies only to Marion County.

(b) The adopting body may allocate ~~additional~~ **general purpose** revenue to fund the operation of a public library in Marion County as provided in an election, if any, made by the county fiscal body under IC 36-3-7-6. ~~An allocation under this section shall be made from the part of the additional revenue that would otherwise be allocated as certified shares.~~

(c) The adopting body may allocate ~~additional~~ **general purpose** revenue to fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42. ~~An allocation under this section shall be made from the part of the additional revenue that would otherwise be allocated as certified shares.~~

(d) The adopting body may allocate ~~additional~~ **general purpose** revenue to fund the operation of a public communications systems and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b). ~~The additional revenue shall be allocated and distributed before the allocation and distribution of the remaining tax revenue under this chapter.~~

SECTION 136. IC 6-3.6-6-9 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 9. (a) This section applies to the allocation of additional revenue from a tax under this chapter for economic development purposes.~~

~~(b) Money designated for economic development purposes shall be~~

~~allocated to the county, cities, and towns for use by the taxing unit's fiscal body for any of the purposes described in IC 6-3.6-10. Except as provided in subsections (c) and (d) and IC 6-3.6-11, and subject to adjustment as provided in IC 36-8-19-7.5, the amount of the certified distribution allocated to economic development purposes that the county and each city or town in a county is entitled to receive each month of each year equals the amount determined using the following formula:~~

~~STEP ONE: Determine the sum of:~~

~~(A) the total property taxes being imposed by the county, city, or town during the calendar year preceding the distribution year; plus~~

~~(B) for a county, the welfare allocation amount.~~

~~STEP TWO: Determine the quotient of:~~

~~(A) The STEP ONE amount; divided by~~

~~(B) the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year preceding the distribution year plus the welfare allocation amount.~~

~~STEP THREE: Determine the product of:~~

~~(A) the amount of the certified distribution allocated to economic development purposes for that month; multiplied by~~

~~(B) the STEP TWO amount.~~

~~(c) The body imposing the tax may adopt an ordinance before August 2 of a year to provide for a distribution of the amount allocated to economic development purposes based on population instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:~~

~~(1) The ordinance is effective January 1 of the following year.~~

~~(2) The amount of the certified distribution allocated to economic development purposes that the county and each city and town in the county are entitled to receive during each month of each year equals the product of:~~

~~(A) the amount of the certified distribution that is allocated to economic development purposes for the month; multiplied by~~

~~(B) the quotient of:~~

~~(i) for a city or town, the population of the city or the town that is located in the county and for a county, the population of the part of the county that is not located in a city or town; divided by~~

~~(ii) the population of the entire county.~~

~~(3) The ordinance may be made irrevocable for the duration of~~

~~specified lease rental or debt service payments.~~

~~(d) In a county having a consolidated city, only the consolidated city is entitled to the amount of the certified distribution that is allocated to economic development purposes.~~

SECTION 137. IC 6-3.6-6-9.5, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 9.5. (a) The executive of a county, city, or town may:

(1) adopt a capital improvement plan specifying the uses of ~~the additional~~ **general purpose** revenue to be allocated for economic development purposes; or

(2) designate the county or a city or town in the county as the recipient of all or a part of its ~~share of the additional~~ **general purpose** revenue that is distributed to it for economic development purposes.

(b) If a designation is made under subsection (a)(2), the county treasurer shall transfer the share or part of the share to the designated unit unless that unit does not have a capital improvement plan.

(c) A county, city, or town that fails to adopt a capital improvement plan may not receive

~~(1) its fractional amount of the additional revenue to be allocated for economic development purposes; or~~

~~(2)~~ any amount designated under subsection (a)(2)

for the year or years in which the unit does not have a plan. The county treasurer shall retain the amounts not distributed for such a unit in a separate account until the unit adopts a plan. Interest on the separate account becomes part of the account. If a unit fails to adopt a plan for a period of three (3) years, the balance in the separate account shall be distributed to the other units in the county in the same manner that other ~~additional~~ **general purpose** revenue allocated for economic development purposes is distributed.

(d) A capital improvement plan must include the following components:

(1) Identification and general description of each project that would be funded by other ~~additional~~ **general purpose** revenue allocated for economic development purposes.

(2) The estimated total cost of the project.

(3) Identification of all sources of funds expected to be used for each project.

(4) The planning, development, and construction schedule of each project.

(e) A capital improvement plan:

(1) must encompass a period of not less than two (2) years; and

(2) must incorporate projects the cost of which is at least seventy-five percent (75%) of the fractional amount of ~~additional~~ **general purpose** revenue allocated for economic development purposes that is expected to be received by the county, city, or town in that period.

(f) In making a designation under subsection (a)(2), the executive must specify the purpose and duration of the designation. If the designation is made to provide for the payment of lease rentals or bond payments, the executive may specify that the designation and its duration are irrevocable.

SECTION 138. IC 6-3.6-6-10 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 10. (a) This section applies to additional revenue from a tax under this chapter that is allocated for certified shares.~~

~~(b) Additional revenue remaining from a tax imposed under this chapter, after deducting the amounts allocated to public safety purposes and economic development purposes, shall be allocated among the civil taxing units as certified shares.~~

SECTION 139. IC 6-3.6-6-11 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 11. (a) Except as provided in this chapter and IC 6-3.6-11, this section applies to an allocation of certified shares in all counties.~~

~~(b) Any civil taxing unit that imposed an ad valorem property tax levy in the county for the calendar year preceding the distribution year is eligible for an allocation for the distribution year under this chapter.~~

~~(c) A school corporation is not a civil taxing unit for the purpose of receiving an allocation of certified shares under this chapter. The distributions to school corporations and civil taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1 (repealed) as provided in section 3(a)(2) of this chapter is not considered an allocation of certified shares. A school corporation's allocation amount for purposes of section 3(a)(2) of this chapter shall be determined under section 12 of this chapter.~~

~~(d) A county solid waste management district (as defined in IC 13-11-2-47) or a joint solid waste management district (as defined in IC 13-11-2-113) is not a civil taxing unit for the purpose of receiving an allocation of certified shares under this chapter unless a majority of the members of each of the county fiscal bodies of the counties within the district passes a resolution approving the distribution.~~

~~(e) A resolution passed by a county fiscal body under subsection (d) may:~~

~~(1) expire on a date specified in the resolution; or~~

(2) remain in effect until the county fiscal body revokes or rescinds the resolution.

SECTION 140. IC 6-3.6-6-12 IS REPEALED [EFFECTIVE JULY 1, 2027]. Sec. 12. (a) Except as provided in this chapter and IC 6-3.6-11, this section applies to an allocation of certified shares in all counties.

(b) The allocation amount of a civil taxing unit during a calendar year must be based on the amounts for the calendar year preceding the distribution year and is equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the total property taxes being imposed by the civil taxing unit.

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (c).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (d).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's certified shares plus the amount distributed under section 3(a)(2) of this chapter for the previous calendar year.

The allocation amount is subject to adjustment as provided in IC 36-8-19-7.5.

(c) Except as provided in this subsection, an appropriation for the calendar year preceding the distribution year from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds were appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the

~~debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.~~

~~(d) Except as provided in this subsection, an appropriation for the calendar year preceding the distribution year from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:~~

~~(1) the lease was issued; and~~

~~(2) the proceeds were appropriated from property taxes;~~

~~to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.~~

SECTION 141. IC 6-3.6-6-14 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 14. (a) This section applies to an allocation of certified shares in a county other than Marion County.~~

~~(b) Subject to this chapter, certified shares must be allocated among civil taxing units based on the attributed allocation amount.~~

~~(c) The amount of certified shares to be allocated to each civil taxing unit is equal to:~~

~~(1) the total amount of the certified distribution that is allocated to certified shares for the county for the month; multiplied by~~

~~(2) the quotient of:~~

~~(A) the attributed allocation amount for the civil taxing unit in the county during the calendar year; divided by~~

~~(B) the sum of the attributed allocation amounts for all civil taxing units in the county during the calendar year.~~

SECTION 142. IC 6-3.6-6-15 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 15. (a) This section applies to an allocation or distribution, or both, of certified shares that is required to be made to a civil taxing unit in a county other than Marion County.~~

~~(b) IC 36-8-19-7.5 applies to the adjustment of the amounts distributed to a civil taxing unit that participates in a fire protection territory.~~

SECTION 143. IC 6-3.6-6-16 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 16. IC 6-3.6-11 applies to the allocation of certified~~

~~shares in Marion County.~~

SECTION 144. IC 6-3.6-6-17, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 17. A **county, city, town, or nonmunicipal** civil taxing unit may use its ~~certified shares~~ **general purpose revenue** for any of the purposes of the ~~civil taxing~~ unit.

SECTION 145. IC 6-3.6-6-18, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 18. **(a)** A **county, city, town, or nonmunicipal** civil taxing unit may pledge its ~~certified shares~~ **general purpose revenue** to the payment of bonds or to lease payments for:

(1) any purpose of the ~~civil taxing~~ unit;

(2) any purpose of another governmental entity located in any part in the county, including a governmental entity organized on a regional basis; or

(3) any purpose for which ~~certified shares~~ **general purpose revenue** may be used **by the unit** under ~~IC 6-3.6-10.~~ **this chapter.**

(b) The pledge must be approved in an ordinance adopted by the fiscal body of the political subdivision.

SECTION 146. IC 6-3.6-6-19, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 19. (a) A **county, city, town, or nonmunicipal** civil taxing unit may distribute any part of its ~~certified shares~~ **general purpose revenue** to any governmental entity located in any part of its county to:

(1) carry out a joint purpose; or

(2) fund the purposes of the other governmental entity;

including a governmental entity organized on a regional basis to serve an area in more than one (1) county.

(b) The distribution must be authorized by ordinance of the fiscal body of the ~~civil taxing~~ unit to which the revenue is allocated by this chapter. An ordinance must specify the purpose of the designation and its duration.

(c) The fiscal ~~body~~ **officer** of the ~~civil taxing~~ unit may direct the county auditor in **accordance with** the ordinance to withhold from the ~~civil taxing~~ unit's allocation the amount that is the subject of the ordinance and distribute the amount directly to the other governmental entity authorized to receive the money.

SECTION 147. IC 6-3.6-6-20 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 20. (a) This section does not apply to distributions of revenue under section 9 of this chapter.~~

~~(b) This section applies only to the following:~~

~~(1) Any allocation or distribution of revenue under section 3(a)(2) of this chapter that is made on the basis of property tax levies in counties that formerly imposed a tax under IC 6-3.5-1.1 (before its repeal January 1, 2017).~~

~~(2) Any allocation or distribution of revenue under section 3(a)(3) of this chapter that is made on the basis of property tax levies in counties that formerly imposed a tax under IC 6-3.5-6 (before its repeal January 1, 2017).~~

~~(c) Subject to subsection (b), if a school corporation or civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in the calendar year preceding the year in which revenue under section 3(a)(2) or 3(a)(3) of this chapter is being allocated or distributed, that school corporation or civil taxing unit is entitled to receive a part of the revenue under section 3(a)(2) or 3(a)(3) of this chapter (as appropriate) to be distributed within the county. The fractional amount that such a school corporation or civil taxing unit is entitled to receive each month during that calendar year equals the product of:~~

~~(1) the amount of revenue under section 3(a)(2) or 3(a)(3) of this chapter to be distributed on the basis of property tax levies during that month; multiplied by~~

~~(2) a fraction. The numerator of the fraction equals the budget of that school corporation or civil taxing unit for the distribution year. The denominator of the fraction equals the aggregate budgets of all school corporations or civil taxing units of that county for the distribution year.~~

~~(d) Subject to subsection (b), if for a calendar year a school corporation or civil taxing unit is allocated a part of a county's revenue under section 3(a)(2) or 3(a)(3) of this chapter by subsection (c), the calculations used to determine the shares of revenue of all other school corporations and civil taxing units under section 3(a)(2) or 3(a)(3) of this chapter (as appropriate) shall be changed each month for that same year by reducing the amount of revenue to be distributed by the amount of revenue under section 3(a)(2) or 3(a)(3) of this chapter allocated under subsection (c) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.~~

SECTION 148. IC 6-3.6-6-21, AS ADDED BY P.L.229-2017, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 21. A **county, city, town, or nonmunicipal** civil taxing unit may contribute any part of its ~~certified shares~~ **general**

purpose revenue to the regional development infrastructure fund established by IC 36-9-43-9. The contribution must be approved in an ordinance adopted by the fiscal body of the political subdivision.

SECTION 149. IC 6-3.6-6-21.2 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 21.2. A school corporation that receives a distribution of revenue under section 3 of this chapter may allocate the revenue among any of its funds.~~

SECTION 150. IC 6-3.6-6-21.3, AS ADDED BY P.L.137-2024, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 21.3. (a) **This section applies to distributions of revenue before January 1, 2028.** This section:

(1) does not apply to:

(A) distributions made under this chapter to a civil taxing unit for fire protection services within a fire protection territory established under IC 36-8-19; or

(B) distributions of revenue under section 9 of this chapter **(before its repeal);** and

(2) applies only to the following:

(A) Any allocation or distribution of revenue under section 3(a)(2) of this chapter **(as in effect before July 1, 2027)** that is made on the basis of property tax levies in counties that formerly imposed a tax under IC 6-3.5-1.1 (before its repeal on January 1, 2017).

(B) Any allocation or distribution of revenue under section 3(a)(3) of this chapter **(as in effect before July 1, 2027)** that is made on the basis of property tax levies in counties that formerly imposed a tax under IC 6-3.5-6 (before its repeal on January 1, 2017).

(b) Subject to subsection (a), if two (2) or more:

(1) school corporations; or

(2) civil taxing units;

of an adopting county merge or consolidate to form a single school corporation or civil taxing unit, the school corporation or civil taxing unit that is in existence on January 1 of the current year is entitled to the combined pro rata distribution of the revenue under section 3(a)(2) or 3(a)(3) **(as in effect before July 1, 2027)** of this chapter (as appropriate) allocated to each applicable school corporation or civil taxing unit in existence on January 1 of the immediately preceding calendar year prior to the merger or consolidation.

(c) The department of local government finance shall make adjustments to civil taxing units in accordance with IC 6-1.1-18.5-7.

SECTION 151. IC 6-3.6-6-22 IS ADDED TO THE INDIANA

CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 22. (a) As used in this section, "municipality" means only a city or town that:**

(1) has a population of three thousand five hundred (3,500) or more; and

(2) in the case of a city or town whose population decreased in the most recent federal decennial census from three thousand five hundred (3,500) or more to less than three thousand five hundred (3,500), has elected by ordinance to continue to use its previous population of three thousand five hundred (3,500) or more as set forth in section 23(b)(2) of this chapter for purposes of the allocation determination under section 6.1 of this chapter.

The term does not include a city or town that has made an election under section 23(b)(3) of this chapter.

(b) Beginning after December 31, 2027, the fiscal body of a municipality may by ordinance and subject to subsection (e), impose a local income tax rate on the adjusted gross income of local taxpayers in the municipality that does not exceed one and two-tenths percent (1.2%).

(c) The following apply if a municipality imposes a local income tax rate under this section:

(1) A local income tax rate imposed by a municipality under this section applies only to local taxpayers within the territory of the municipality.

(2) The local income tax is imposed in addition to a tax imposed by the county in which the municipality is located in accordance with IC 6-3.6-4-1(a) and IC 6-3.6-4-1(c).

(3) The following provisions of this article apply to a local income tax rate imposed by a municipality under subsection (b):

(A) IC 6-3.6-3 (adoption of the tax), including the effective date of an ordinance under IC 6-3.6-3-3.3.

(B) IC 6-3.6-4 (imposition of the tax), except that IC 6-3.6-4-2 and IC 6-3.6-4-3 do not apply.

(C) IC 6-3.6-8 (administration of the tax).

(4) A local income tax rate imposed by a municipality shall apply to professional athletes who compete in the municipality, unless exempted under IC 6-3-2-27.5 or other provision of law.

(d) The amount of the tax revenue that is from the local income tax rate imposed under this section and that is collected for a

calendar year shall be treated as general purpose revenue and must be distributed to the fiscal officer of the municipality that imposed the tax before July 1 of the next calendar year.

(e) Beginning after December 31, 2030, a tax rate imposed under subsection (b) shall expire on December 31 of each calendar year. A municipality wishing to continue, increase, or decrease a tax rate in the succeeding year must pass an ordinance to readopt a tax rate in accordance with IC 6-3.6-3-3.3. This subsection applies regardless of whether there is a modification in the tax rate or the rate is unchanged from the previous year.

SECTION 152. IC 6-3.6-6-23 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 23. (a) This section applies in determining the population of a city or town for the purposes of this chapter.**

(b) The following apply:

(1) Except as provided in subdivisions (2) and (3), the population of a city or town is the population of the city or town that is reported by the 2020 federal decennial census.

(2) Beginning after 2030, if the population of a city or town:

(A) increases from a population of less than three thousand five hundred (3,500), as reported by the immediately preceding federal decennial census, to a population of three thousand five hundred (3,500) or more, as reported by the most recent federal decennial census, or, if applicable, any corrected population count (as defined in IC 1-1-3.5-1.5) issued for the city or town in the year succeeding the most recent federal decennial census; or

(B) decreases from a population of three thousand five hundred (3,500) or more, as reported by the immediately preceding federal decennial census, to a population of less than three thousand five hundred (3,500), as reported by the most recent federal decennial census, or, if applicable, any corrected population count (as defined in IC 1-1-3.5-1.5) issued for the city or town in the year succeeding the most recent federal decennial census;

the fiscal body of the city or town may adopt an ordinance on or before September 1 of the calendar year immediately succeeding the most recent federal decennial census to continue to use the population of the city or town as reported by the immediately preceding federal decennial census and the resulting determination for the city or town under section

22 of this chapter, notwithstanding the increase or decrease in its population as reported by the most recent federal decennial census as described in this subdivision. An ordinance adopted under this subdivision shall take effect on January 1 of the calendar year that immediately succeeds the year in which the ordinance is adopted. The fiscal officer of the city or town shall provide a certified copy of an ordinance adopted under this subdivision to the department of local government finance.

(3) This subdivision applies only to cities and towns with a population of more than three thousand five hundred (3,500) but less than seven thousand (7,000). Notwithstanding any other provision, a fiscal body of a city or town may adopt an ordinance to elect to be treated as if the city's or town's population is less than three thousand five hundred (3,500) for purposes of a county local income tax rate and distribution under this chapter. An ordinance adopted under this subdivision shall take effect on January 1 of the calendar year that immediately succeeds the year in which the ordinance is adopted. The fiscal officer of the city or town shall provide a certified copy of an ordinance adopted under this subdivision to the department of local government finance. An ordinance adopted by a city or town under this subdivision is not revocable and shall not expire following the next federal decennial census.

SECTION 153. IC 6-3.6-7-9, AS AMENDED BY P.L.239-2023, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 9. (a) This section applies only to Hancock County.

(b) The county fiscal body may, by ordinance, allocate part of the tax rate imposed under IC 6-3.6-5 **(before its expiration),** not to exceed a tax rate of fifteen hundredths percent (0.15%), to a property tax credit against the property tax liability imposed for public libraries in the county, if all territory in the county is included in a library district. The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. Tax revenues derived from the part of the tax rate imposed under ~~IC 6-3-5~~ **IC 6-3.6-5 (before its expiration)** that is designated for property tax replacement credits under this section shall be deposited in the library property tax replacement fund. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(c) The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section **(before the expiration of IC 6-3.6-5)** equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess must remain in the library property tax replacement fund and may be used for library property tax replacement purposes in the following calendar year.

(d) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed in proportion to the property taxes levied for each fund. However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax

replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding IC 6-1.1-20-1.1(a)(1), a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(e) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(f) For the purpose of allocating tax revenue under IC 6-3.6-6 and computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 154. IC 6-3.6-7-28, AS AMENDED BY P.L.136-2024, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 28. (a) This section applies to Grant County and only if the ~~local income tax council~~ **county adopting body** repeals provisions of its local income tax ordinance providing that under IC 6-3.6-10-2(7) one-hundredth of one percent (0.01%) of the county's special purpose rate revenue is used to fund the Grant County Economic Growth Council, Inc.

(b) The ~~local income tax council~~ **county adopting body** may, by ordinance, determine that additional local income tax revenue is needed in the county to do the following:

(1) Finance, construct, acquire, improve, renovate, and equip the county jail, including costs related to the demolition of existing buildings, the acquisition of land, and any other reasonably related costs.

(2) Repay bonds issued or leases entered into for the purposes described in subdivision (1).

(c) If the ~~local income tax council~~ **county adopting body** makes the determination set forth in subsection (b), the ~~local income tax council~~ **county adopting body** may impose a tax on the adjusted gross income of local taxpayers at a tax rate that does not exceed the lesser of the

following:

(1) Five-tenths percent (0.5%).

(2) The rate necessary to carry out the purposes described in this section.

The tax rate may not be greater than the rate necessary to pay for the purposes described in subsection (b).

(d) The tax rate used to pay for the purposes described in subsection (b)(1) and (b)(2) may be imposed only until the latest of the following dates:

(1) The date on which the financing, construction, acquisition, improvement, renovation, and equipping of the facilities as described in subsection (b) are completed.

(2) The date on which the last of any bonds issued (including refunding bonds) or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping of the facilities described in subsection (b) are fully paid.

(3) The date on which an ordinance adopted under subsection (c) is rescinded.

(e) The tax rate under this section may be imposed beginning in the year following the year the ordinance is adopted and until the date on which the ordinance adopted under this section is rescinded.

(f) The term of a bond issued (including any refunding bond) or a lease entered into under subsection (b) may not exceed twenty-five (25) years.

(g) The county treasurer shall establish a county jail revenue fund to be used only for the purposes described in this section. Local income tax revenues derived from the tax rate imposed under this section shall be deposited in the county jail revenue fund.

(h) Local income tax revenues derived from the tax rate imposed under this section:

(1) may be used only for the purposes described in this section;

(2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy limit under IC 6-1.1-18.5; and

(3) may be pledged to the repayment of bonds issued or leases entered into for the purposes described in subsection (b).

(i) Grant County possesses unique governmental challenges and opportunities due to deficiencies in the current county jail. The use of local income tax revenues as provided in this section is necessary for the county to provide adequate jail capacity in the county and to maintain low property tax rates essential to economic development.

The use of local income tax revenues as provided in this section to pay any bonds issued or leases entered into to finance the construction, acquisition, improvement, renovation, and equipping of the facilities described in subsection (b), rather than the use of property taxes, promotes those purposes.

(j) Money accumulated from the local income tax rate imposed under this section after the termination of the tax under this section shall be transferred to the county rainy day fund under IC 36-1-8-5.1.

SECTION 155. IC 6-3.6-8-3, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 3. (a) For purposes of this article, an individual shall be treated as a resident of the county **(or the municipality in the case of a local income tax imposed under IC 6-3.6-6-22)** in which the individual:

(1) maintains a home, if the individual maintains only one (1) home in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or

(4) spent the majority of the individual's time in Indiana during the taxable year in question, if subdivision (1), (2), or (3) does not apply.

(b) The residence ~~or principal place of business or employment~~ of an individual is to be determined on January 1 of the calendar year in which the individual's taxable year commences. If an individual changes the location of the individual's residence ~~or principal place of employment or business~~ to another county **(or municipality in the case of a local income tax imposed under IC 6-3.6-6-22)** in Indiana during a calendar year, the individual's liability for tax is not affected.

(c) Notwithstanding subsection (b), if an individual becomes a local taxpayer for purposes of IC 36-7-27 during a calendar year because the individual

~~(1)~~ changes the location of the individual's residence to a county **or municipality** in which the individual begins employment or business at a qualified economic development tax project (as defined in IC 36-7-27-9), ~~or~~

~~(2) changes the location of the individual's principal place of employment or business to a qualified economic development tax project and does not reside in another county in which a tax is in effect;~~

the individual's adjusted gross income attributable to employment or business at the qualified economic development tax project is taxable

only by the county **or municipality** containing the qualified economic development tax project.

SECTION 156. IC 6-3.6-8-4, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4. (a) Using procedures provided under this chapter, the adopting body of any adopting county **or municipality** may pass an ordinance to enter into reciprocity agreements with the taxing authority of any city, town, municipality, county, or other similar local governmental entity of any other state. The reciprocity agreements must provide that the income of resident local taxpayers is exempt from income taxation by the other local governmental entity to the extent income of the residents of the other local governmental entity is exempt from the tax in the adopting county **or municipality.**

(b) A reciprocity agreement adopted under this section may not become effective until it is also made effective in the other local governmental entity that is a party to the agreement.

(c) The form and effective date of any reciprocity agreement described in this section must be approved by the department.

SECTION 157. IC 6-3.6-8-5, AS AMENDED BY P.L.197-2016, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 5. (a) Except as otherwise provided in subsection (b) and the other provisions of this article, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;
(2) declarations of estimated tax;
(3) filing of returns;
(4) deductions or exemptions from adjusted gross income;
(5) remittances;
(6) incorporation of the provisions of the Internal Revenue Code;
(7) penalties and interest; and
(8) exclusion of military pay credits for withholding;

apply to the imposition, collection, and administration of the tax imposed by this article.

(b) IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this article.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department of state revenue the amount of withholdings attributable to each county **(or each municipality in the case of a local income tax imposed under IC 6-3.6-6-22).** This report shall be submitted to the department of state revenue:

(1) each time the employer remits to the department the tax that is withheld; and

(2) annually along with the employer's annual withholding report.

SECTION 158. IC 6-3.6-9-1, AS AMENDED BY P.L.165-2021, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 1. (a) The budget agency shall maintain an accounting for each county imposing a tax based on annual returns filed by or for county taxpayers. Any undistributed amounts so accounted for shall be held in reserve for the respective counties separate from the state general fund.

(b) Undistributed amounts shall be invested by the treasurer of state and the income earned shall be credited to the counties based on each county's undistributed amount.

(c) This section expires December 31, 2027.

SECTION 159. IC 6-3.6-9-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 1.1. As used in this chapter, "state and local income tax holding account" refers to the state and local income tax holding account established by section 20 of this chapter.**

SECTION 160. IC 6-3.6-9-4, AS AMENDED BY P.L.137-2022, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4. Revenue derived from the imposition of the tax shall, in the manner prescribed by this chapter, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of tax revenue that the budget agency determines has been:

(1) attributed to that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and

(2) reported on an annual return or amended return filed by or for a county taxpayer and processed by the department in the state fiscal year ending before July 1, or for a federal income tax deadline set after July 1, a date set by the department for a period of not more than sixty (60) days beyond the federal deadline, of the calendar year in which the determination is made;

without adjustment based on the enactment of a tax rate change under IC 6-3.6-6-2 or IC 6-3.6-6-22 in the first preceding calendar year it becomes effective.

SECTION 161. IC 6-3.6-9-4.1, AS ADDED BY P.L.165-2021, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 4.1. The budget agency shall adjust the amounts determined under section 4 of this chapter for the credits claimed against local income taxes under IC 6-3.6-8-6 and IC 6-3.1-19. The

adjustments made by the budget agency may be phased-in over several ~~fiscal~~ **calendar** years until the credits are fully accounted for.

SECTION 162. IC 6-3.6-9-5, AS AMENDED BY P.L.32-2021, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 5. ~~(a) Before August 2 of each calendar year, the budget agency shall provide to the department of local government finance and the county auditor of each adopting county an estimate of the amount determined under section 4 of this chapter that will be distributed to the county, based on known tax rates. Subject to subsection (c), not later than fifteen (15) days after receiving the estimate of the certified distribution, the department of local government finance shall determine for each taxing unit and notify the county auditor of the estimated amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Not later than thirty (30) days after receiving the department's estimate, the county auditor shall notify each taxing unit of the amounts estimated for the taxing unit.~~

~~(b)~~ **(a)** Before October 1 of each calendar year, the budget agency shall certify to the department of local government finance and the county auditor of each adopting county

~~(1)~~ the amount determined under ~~section~~ **sections** 4 **and 4.1** of this chapter. ~~and~~

~~(2) the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year.~~

The amount certified is the county's certified distribution for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under sections ~~6, 7, and 8~~ **6 and 7** of this chapter. Subject to subsection ~~(d),~~ **(b),** not later than ~~fifteen (15) days~~ **thirty (30) days** after receiving the amount of the certified distribution, the department of local government finance shall determine for each taxing unit and notify the county auditor of the certified amount ~~of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue~~ that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Not later than thirty (30) days after receiving the department's estimate, the county auditor shall notify each taxing unit of the certified amounts for the taxing unit.

~~(c) This subsection applies to Lake County. When the department of local government finance notifies the county auditor of the estimated~~

~~amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year, the department of local government finance shall also determine the amount of additional revenue allocated for economic development purposes that will be distributed to each civil taxing unit, reduced by an amount that is equal to the following percentages of the tax revenue that would otherwise be allocated for economic development purposes and distributed to the civil taxing unit:~~

~~(1) For Lake County, an amount equal to twenty-five percent (25%).~~

~~(2) For Crown Point, an amount equal to ten percent (10%).~~

~~(3) For Dyer, an amount equal to fifteen percent (15%).~~

~~(4) For Gary, an amount equal to seven and five-tenths percent (7.5%).~~

~~(5) For Hammond, an amount equal to fifteen percent (15%).~~

~~(6) For Highland, an amount equal to twelve percent (12%).~~

~~(7) For Hobart, an amount equal to eighteen percent (18%).~~

~~(8) For Lake Station, an amount equal to twenty percent (20%).~~

~~(9) For Lowell, an amount equal to fifteen percent (15%).~~

~~(10) For Merrillville, an amount equal to twenty-two percent (22%).~~

~~(11) For Munster, an amount equal to thirty-four percent (34%).~~

~~(12) For New Chicago, an amount equal to one percent (1%).~~

~~(13) For Schererville, an amount equal to ten percent (10%).~~

~~(14) For Schneider, an amount equal to twenty percent (20%).~~

~~(15) For Whiting, an amount equal to twenty-five percent (25%).~~

~~(16) For Winfield, an amount equal to fifteen percent (15%).~~

~~The department of local government finance shall notify the county auditor of the amounts of the reductions and the remaining amounts to be distributed.~~

~~(d)~~ **(b)** This subsection applies to Lake County. When the department of local government finance notifies the county auditor of the certified amount ~~of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue~~ that will be distributed to the taxing unit under this chapter during the ensuing calendar year, the department of local government finance shall also determine the amount of ~~additional revenue~~ **general purpose revenue** allocated for economic development purposes that will be distributed to each civil taxing unit, reduced by an amount that is equal to the following percentages of the tax revenue

that would otherwise be allocated for economic development purposes and distributed to the civil taxing unit:

(1) For Lake County, an amount equal to twenty-five percent (25%).

(2) For Crown Point, an amount equal to ten percent (10%).

(3) For Dyer, an amount equal to fifteen percent (15%).

(4) For Gary, an amount equal to seven and five-tenths percent (7.5%).

(5) For Hammond, an amount equal to fifteen percent (15%).

(6) For Highland, an amount equal to twelve percent (12%).

(7) For Hobart, an amount equal to eighteen percent (18%).

(8) For Lake Station, an amount equal to twenty percent (20%).

(9) For Lowell, an amount equal to fifteen percent (15%).

(10) For Merrillville, an amount equal to twenty-two percent (22%).

(11) For Munster, an amount equal to thirty-four percent (34%).

(12) For New Chicago, an amount equal to one percent (1%).

(13) For Schererville, an amount equal to ten percent (10%).

(14) For Schneider, an amount equal to twenty percent (20%).

(15) For Whiting, an amount equal to twenty-five percent (25%).

(16) For Winfield, an amount equal to fifteen percent (15%).

The department of local government finance shall notify the county auditor of the remaining amounts to be distributed and the amounts of the reductions that will be withheld under IC 6-3.6-11-5.5.

SECTION 163. IC 6-3.6-9-6, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 6. The budget agency shall certify an amount less than the amount determined under section ~~5(b)~~ **5(a)** of this chapter if the budget agency determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

SECTION 164. IC 6-3.6-9-7, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 7. **(a)** The budget agency shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(b) The budget agency may not reduce, adjust, or modify a certified distribution of a county after it has been presented as part of the report to the budget committee for the immediately succeeding calendar year under section 21 of this chapter, except in the case of clerical and mathematical errors.

SECTION 165. IC 6-3.6-9-8 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 8. This section applies to a county that imposes, increases, decreases, or rescinds a tax or tax rate under this article before November 1 in the same calendar year in which the budget agency makes a certification under this section. The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in section 4(1) through 4(2) of this chapter in the manner provided in section 6 of this chapter. If the county imposes, increases, decreases, or rescinds a tax or tax rate under this article after the date for which a certification under section 5(b) of this chapter is based, the budget agency shall adjust the certified distribution of the county after October 1 and before December 1 of the calendar year. The adjustment must reflect any other adjustment required under sections 6 and 7 of this chapter. The adjusted certification shall be treated as the county's certified distribution for the immediately succeeding calendar year. The budget agency shall certify the adjusted certified distribution to the county auditor for the county and provide the county council with an informative summary of the calculations that revises the informative summary provided in section 9 of this chapter and reflects the changes made in the adjustment.~~

SECTION 166. IC 6-3.6-9-8.5 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 8.5. (a) The budget agency shall before February 1, 2018, transfer to the state general fund from each county's trust account established under IC 6-3.6 an amount equal to:~~

~~(1) the amount of the county's certified distribution under IC 6-3.6 that is allocated to certified shares under IC 6-3.6-6 for calendar year 2017; multiplied by~~

~~(2) five-tenths of one percent (0.5%);~~

~~to reimburse the state general fund for expenditures related to the department's information technology modernization project.~~

~~(b) To the extent that the balance in a county's trust account is insufficient for the budget agency to make the entire amount of the transfer required under subsection (a) before February 1, 2018, the budget agency shall make any remaining part of the required transfer~~

~~from the county's trust account in subsequent years on a schedule determined by the budget agency until the entire amount of the required transfer has been made.~~

SECTION 167. IC 6-3.6-9-9, AS AMENDED BY P.L.257-2019, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 9. The budget agency shall provide the adopting body with an informative summary of the calculations used to determine the certified distribution. The summary of calculations must include:

(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;

(2) adjustments for over distributions in prior years; **and**

(3) adjustments for clerical or mathematical errors in prior years.

~~and~~

~~(4) adjustments for tax rate changes.~~

SECTION 168. IC 6-3.6-9-10, AS AMENDED BY P.L.137-2024, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 10. The budget agency shall also certify information concerning the part of the certified distribution that is attributable to each of the following:

(1) The tax rate imposed under IC 6-3.6-5 **(before its expiration). This subdivision expires July 1, 2028.**

(2) The tax rate imposed under IC 6-3.6-6, separately stating:

(A) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.5 **(before its repeal);**

(B) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.6 **(before its repeal);** ~~and~~

(C) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.7 **(before its repeal);**

(D) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.8 (before its repeal); and

(E) the part of the distribution attributable to a tax rate imposed under IC 6-3.6-6-2.9 (before its repeal).

(3) Each tax rate imposed under IC 6-3.6-7.

(4) In the case of Marion County, the local income taxes paid by local taxpayers described in IC 6-3.6-2-13(3).

The amount certified shall be adjusted to reflect any adjustment in the certified distribution under this chapter.

SECTION 169. IC 6-3.6-9-11, AS AMENDED BY P.L.197-2016, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 11. The information described in sections 9 and 10 of this chapter must be certified to the county auditor, to the fiscal

officer of each taxing unit in the county, and to the department of local government finance not later than ~~the later of the following:~~

~~(1)~~ October 1 of each calendar year.

~~(2) Thirty (30) days after the adopting body certifies a new rate to the budget agency.~~

SECTION 170. IC 6-3.6-9-12, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 12. One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed:

(1) before January 1, 2028, from its trust account established under this chapter; **and**

(2) after December 31, 2027, from the state and local income tax holding account established under this chapter;

to the appropriate county treasurer on the first regular business day of each month of that calendar year.

SECTION 171. IC 6-3.6-9-13, AS AMENDED BY P.L.9-2024, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 13. **(a)** All distributions from a trust account established under this chapter shall be made by warrants issued by the state comptroller to the treasurer of state ordering the appropriate payments.

(b) This section expires December 31, 2027.

SECTION 172. IC 6-3.6-9-14 IS REPEALED [EFFECTIVE JULY 1, 2027]. ~~Sec. 14. Before November 2 of each year, the budget agency shall submit a report to each county auditor indicating the balance in the county's trust account as of the cutoff date set by the budget agency.~~

SECTION 173. IC 6-3.6-9-15 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. ~~Sec. 15. (a) If the budget agency determines that the balance in a county trust account exceeds fifteen percent (15%) of the certified distributions to be made to the county in the determination year, the budget agency shall make a supplemental distribution to the county from the county's trust account. The budget agency shall use the trust account balance as of December 31 of the year that precedes the determination year by two (2) years (referred to as the "trust account balance year" in this section).~~

~~(b) A supplemental distribution described in subsection (a) must be:~~

~~(1) made at the same time as the determinations are provided to the county auditor under subsection (d)(3); and~~

~~(2) allocated in the same manner as certified distributions for the purposes described in this article.~~

~~(c) The amount of a supplemental distribution described in subsection (a) is equal to the amount by which:~~

(1) the balance in the county trust account; minus

(2) the amount of any supplemental or special distribution that has not yet been accounted for in the last known balance of the county's trust account;

exceeds fifteen percent (15%) of the certified distributions to be made to the county in the determination year.

(d) For a county that qualifies for a supplemental distribution under this section in a year, the following apply:

(1) Before February 15, the budget agency shall update the information described in section 9 of this chapter to include the excess account balances to be distributed under this section.

(2) Before May 2, the budget agency shall provide the amount of the supplemental distribution for the county to the department of local government finance and to the county auditor.

(3) The department of local government finance shall determine for the county and each taxing unit within the county:

(A) the amount and allocation of the supplemental distribution attributable to the taxes that were imposed as of December 31 of the trust account balance year, including any specific distributions for that year; and

(B) the amount of the allocation for each of the purposes set forth in this article, using the allocation percentages in effect in the trust account balance year.

The department of local government finance shall provide these determinations to the county auditor before May 16 of the determination year.

(4) Before June 1, the county auditor shall distribute to each taxing unit the amount of the supplemental distribution that is allocated to the taxing unit under subdivision (3). However, for a county with a former tax to provide for a levy freeze under IC 6-3.6-11-1, the supplemental distribution shall first be distributed as determined in any resolution adopted under IC 6-3.6-11-1(d).

For determinations before 2019, the tax rates in effect under and the allocation methods specified in the former income tax laws shall be used for the determinations under subdivision (3).

(e) For any part of a supplemental distribution attributable to property tax credits under a former income tax or IC 6-3.6-5, the adopting body for the county may allocate the supplemental distribution to property tax credits for not more than the three (3) years after the year the supplemental distribution is received.

(f) Any income earned on money held in a trust account established

~~for a county under this chapter shall be deposited in that trust account.~~

SECTION 174. IC 6-3.6-9-16, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 16. Upon receipt, each monthly payment of a county's certified distribution ~~or supplemental distribution~~ shall be allocated and distributed to the appropriate entities in accordance with this article and the allocation ordinances adopted under this article.

SECTION 175. IC 6-3.6-9-17.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 17.5. After December 31, 2027, the county's certified distribution amount for 2028 shall be maintained in the accounting for the county under section 21 of this chapter and transferred as set forth in section 21 of this chapter.**

SECTION 176. IC 6-3.6-9-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 20. (a) The state and local income tax holding account is established within the state general fund for the purposes of this chapter. The budget agency shall administer the account. The account consists of the following:**

(1) Money transferred to the account under section 21 of this chapter.

(2) Money transferred to the account from any other source.

(3) Interest that accrues from money in the account.

(b) The treasurer of state shall invest the money in the account not currently needed for the purposes of the account in the same manner as other public funds may be invested.

(c) Money in the account is continuously appropriated for the purposes of this chapter.

(d) Money in the account at the end of a state fiscal year does not revert to the state general fund.

(e) Money transferred to the account shall be distributed and allocated as set forth in this chapter.

(f) The budget director shall have the discretion to manage transfers of money into and out of the account based on the current process used for continuous assessment of revenue flows and reconciliation based on the latest data.

SECTION 177. IC 6-3.6-9-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: **Sec. 21. (a) The budget agency shall maintain an accounting for each county imposing a tax based on annual returns filed by or for county taxpayers. Beginning after**

December 31, 2027, any undistributed amounts so accounted shall be held for purposes of the state and local income tax holding account.

(b) After December 1 but before December 31 of each year, the budget agency shall present to the budget committee a report of the following:

(1) An estimate of the monthly certified distribution amounts for the immediately succeeding calendar year.

(2) A description of the method used to determine the monthly estimates under subdivision (1).

(c) Beginning in 2028, and in each calendar year thereafter, the budget agency shall each month transfer to the state and local income tax holding account the amount determined for the month under subsection (b)(1) for distribution under this chapter.

(d) In the case of a county that imposes a tax rate under IC 6-3.6-6-2 or a municipality that imposes a tax rate under IC 6-3.6-6-22 beginning after December 31, 2027, the budget agency shall withhold, from each of the first three (3) annual certified distributions resulting from the tax rate, an amount equal to five percent (5%) of the county's or municipality's, as applicable, annual certified distribution resulting from the tax rate. The amounts withheld under this subsection shall be credited to the respective county's or municipality's trust account.

SECTION 178. IC 6-3.6-10-2, AS AMENDED BY P.L.247-2017, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 2. A county, city, or town may use revenue allocated for economic development purposes under ~~IC 6-3.6-6-9~~ **IC 6-3.6-6** for any combination of the following purposes:

(1) To pay all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project.

(2) For the retirement of bonds for economic development projects.

(3) For leases or for leases or bonds entered into or issued before the date the county economic development income tax (IC 6-3.5-7 repealed) was imposed if the purpose of the lease or bonds would have qualified as a purpose under this article at the time the lease was entered into or the bonds were issued.

(4) The construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any

statute listed in IC 6-1.1-18.5-9.8.

(5) The retirement of bonds issued under any provision of Indiana law for a capital project.

(6) The payment of lease rentals under any statute for a capital project.

(7) Contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects.

(8) Operating expenses of a governmental entity that plans or implements economic development projects.

(9) Funding of a revolving fund established under IC 5-1-14-14.

(10) For a regional venture capital fund or a local venture capital fund.

(11) For any lawful purpose for which money in any of its other funds may be used.

SECTION 179. IC 6-3.6-10-3, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 3. (a) The fiscal body of a county, city, or town may issue bonds payable from revenue under IC 6-3.6-6. The bonds must be for economic development projects.

(b) The fiscal body of a county, city, or town may issue bonds payable from revenue described in section 2 of this chapter for any capital project for which the fiscal body is authorized to issue general obligation bonds. The bonds issued under this section may be payable from the tax if the county option income tax (IC 6-3.5-6 repealed), the county adjusted gross income tax (IC 6-3.5-1.1 repealed), or a tax under IC 6-3.6-6 is also in effect in the county at the time the bonds are issued.

(c) If there are bonds outstanding that have been issued under this section, or leases in effect under section 4 of this chapter, the adopting body may not reduce the tax imposed under IC 6-3.6-6, or an allocation under ~~IC 6-3.6-6-9,~~ **IC 6-3.6-6,** or ~~certified shares~~ **general purpose revenue** pledged to repay bonds, as appropriate, below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service on the bonds to their final maturity, plus the highest annual lease payments, unless:

(1) the body that imposed a tax under IC 6-3.6-6; or

(2) any city, town, or county;

pledges all or a part of its ~~certified shares~~ **general purpose revenue** for the life of the bonds or the term of the lease, in an amount that is sufficient, when combined with the amount pledged by the city, town, or county that issued the bonds, to produce one and twenty-five

hundredths (1.25) times the total of the highest outstanding annual debt service plus the highest annual lease payments.

(d) For purposes of subsection (c), the determination of a tax rate sufficient to produce one and twenty-five hundredths (1.25) times the total of the highest outstanding annual debt service plus the highest annual lease payments must be based on an average of the immediately preceding three (3) years tax collections, if the tax has been imposed for the last preceding three (3) years. If the tax has not been imposed for the last preceding three (3) years, the body that imposed the tax may not reduce the rate below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual debt service, plus the highest annual lease payments, based upon a study by a qualified public accountant or financial advisor.

(e) IC 6-1.1-20 does not apply to the issuance of bonds under this section.

(f) Bonds issued under this section may be sold at a public sale in accordance with IC 5-1-11 or may be sold at a negotiated sale.

(g) After a sale of bonds under this section, the county auditor shall prepare a debt service schedule for the bonds.

(h) The general assembly covenants that it will not repeal or amend this article in a manner that would adversely affect owners of outstanding bonds issued, or payment of any lease rentals due, under this section.

SECTION 180. IC 6-3.6-10-5, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 5. Notwithstanding any other law **and subject to IC 6-3.6-6-18(b),** if a civil taxing unit desires to issue obligations, or enter into leases, payable wholly or in part by the taxes imposed under IC 6-3.6-6 or IC 6-3.6-7, ~~(but not IC 6-3.6-5),~~ the obligations of the civil taxing unit or any lessor may be sold at public sale in accordance with IC 5-1-11 or at negotiated sale.

SECTION 181. IC 6-3.6-10-6, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 6. (a) A pledge of revenues from a tax imposed under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5 **before its expiration)** is enforceable in accordance with IC 5-1-14.

(b) With respect to obligations for which a pledge has been made under IC 6-3.6-6 or IC 6-3.6-7 (but not IC 6-3.6-5 **before its expiration),** the general assembly covenants with the county and the purchasers or owners of those obligations that this article will not be repealed or amended in any manner that will adversely affect the tax collected under this article as long as the principal of or interest on

those obligations is unpaid.

SECTION 182. IC 6-3.6-10-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 10, 2025 (RETROACTIVE)]: **Sec. 9. (a) Notwithstanding any other law, for bonds, leases, or any other obligations incurred after May 9, 2025, a county, city, town, and any other taxing unit may not pledge for payment from tax revenue received under this article an amount that exceeds an amount equal to twenty-five percent (25%) of the taxing unit's certified distribution under this article.**

(b) This section expires July 1, 2026.

SECTION 183. IC 6-3.6-11-1 IS REPEALED [EFFECTIVE JANUARY 1, 2028]. ~~Sec. 1. (a) This section applies to any county that imposed a former tax to provide for a levy freeze.~~

~~(b) The tax rate used to provide for a levy freeze shall be part of the tax rate under IC 6-3.6-6. The maximum tax rate that may be applied for a levy freeze is one percent (1%). The levy freeze tax rate may be increased but not decreased or rescinded unless an adopting body adopts a resolution to request approval from the department of local government finance to lower the levy freeze tax rate.~~

~~(c) The department of local government finance shall approve a lower levy freeze tax rate if it finds that the lower rate, in addition to:~~

~~(1) the supplemental distribution as determined in a resolution adopted under subsection (d); and~~

~~(2) the amount in the stabilization fund established under IC 6-3.5-1.1-24 (repealed) or IC 6-3.5-6-30 (repealed), as applicable;~~

~~would fund the levy freeze dollar amount (the total amount of foregone maximum levy increases for all taxing units for all years). If the department approves a lower levy freeze tax rate, the adopting body must adopt an ordinance to lower the levy freeze tax rate before the lower rate may take effect. The county shall provide the department with a determination of the amount in the stabilization funds for purposes of this subsection.~~

~~(d) A county may adopt a resolution to require that a supplemental distribution amount to be distributed under IC 6-3.6-9-15(d)(4) shall first be used to lower the levy freeze tax rate in subsection (c). If a resolution is adopted, the supplemental distribution under IC 6-3.6-9-15(d)(4) shall first be used to lower a county's levy freeze tax rate and any additional supplemental distribution calculated that is above the amount needed to lower the levy freeze tax rate shall be distributed to each taxing unit as provided under IC 6-3.6-9-15(d)(4).~~

~~(c) The revenue from the tax rate shall continue to be applied under this article as it was applied under the former tax, including the use of a stabilization fund.~~

~~(f) The distributions of income tax revenue attributable to a levy freeze tax rate shall be made before allocating or distributing the remaining revenue under IC 6-3.6-6 or applying the property tax credits funded by a tax rate under IC 6-3.6-5.~~

SECTION 184. IC 6-3.6-11-3, AS AMENDED BY P.L.197-2016, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3. (a) This section applies to Lake County's categorizations, allocations, and distributions under IC 6-3.6-5 **(before its expiration).**

(b) The rate under the former tax in Lake County that was used for any of the following shall be categorized under IC 6-3.6-5 **(before its expiration),** and the Lake County council may adopt an ordinance providing that the revenue from the tax rate under this section may be used for any of the following:

(1) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(2) To provide local property tax replacement credits in Lake County in the following manner:

(A) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department of state revenue based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

(B) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department of state revenue) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(3) To provide property tax credits in the following manner:

(A) Sixty percent (60%) of the tax revenue shall be used as provided in subdivision (2).

(B) Forty percent (40%) of the tax revenue shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the

county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under subdivision (1), (2), or (3) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this section. The tax revenue under this section that is used to provide credits under this section shall be treated for all purposes as property tax levies but shall not be considered for purposes of computing the maximum permissible property tax levy under IC 6-1.1-18.5-3 or the credit under IC 6-1.1-20.6.

(c) Any ordinance adopted under subsection (b) expires December 31, 2027.

(d) This section expires July 1, 2028.

SECTION 185. IC 6-3.6-11-4, AS AMENDED BY P.L.247-2017, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 4. This section applies to the allocation of the tax revenue under IC 6-3.6-6 that is dedicated to public safety and funding for a PSAP (as defined in IC 36-8-16.7-20) that is part of the statewide 911 system (as defined in IC 36-8-16.7-22) and located within the county. ~~as provided in IC 6-3.6-6-8.~~ This tax revenue shall be allocated and distributed to the PSAP before the allocation and distribution to any taxing units of the remaining tax revenue allocated to public safety as provided in IC 6-3.6-6.

SECTION 186. IC 6-3.6-11-5.5, AS AMENDED BY P.L.9-2024, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 5.5. (a) This section applies to Lake County for purposes of categorizations, allocations, and distributions of ~~additional revenue~~ **general purpose revenue** that is allocated each year for economic development purposes. ~~under IC 6-3.6-6-9 and of certified shares under IC 6-3.6-6. Additional revenue~~ **General purpose revenue** that is allocated each year for economic development purposes by a civil taxing unit listed in ~~IC 6-3.6-9-5(d)~~ **IC 6-3.6-9-5(b)** must first be used to provide funding for a rail project (as defined in IC 36-7.5-1-13.5).

(b) Before the state comptroller may make a certified distribution of ~~additional revenue~~ **general purpose revenue** allocated for economic development purposes, ~~under IC 6-3.6-6-9,~~ the state comptroller shall withhold the total amount determined by the department of local government finance under ~~IC 6-3.6-9-5(d)~~ **IC 6-3.6-9-5(b)** from the certified distribution allocated to economic development. The amount withheld by the state comptroller under this section shall be paid to the secretary-treasurer of the northwest Indiana regional development authority (IC 36-7.5) before a certified distribution allocated to economic development is made to the county and before the county auditor may otherwise allocate or distribute tax revenue under this article.

SECTION 187. IC 6-3.6-11-6, AS AMENDED BY P.L.9-2024, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 6. (a) This section applies to Lake County, LaPorte County, Porter County, and any municipality in those counties that is a member of the northwest Indiana regional development authority (IC 36-7.5) for purposes of categorizations, allocations, and distributions of ~~additional revenue~~ **general purpose revenue** that is allocated each year for economic development purposes under ~~IC 6-3.6-6-9.~~ **IC 6-3.6-6.**

(b) This subsection applies only to Lake County. The county or a city described in IC 36-7.5-2-3(b) may use ~~additional revenue~~ **general purpose revenue** that is allocated each year for economic development purposes under ~~IC 6-3.6-6-9~~ **IC 6-3.6-6** for making transfers required by IC 36-7.5-4-2 or to provide rail project funding under IC 36-7.5-4.5. The ~~additional revenue~~ **general purpose revenue** allocated for economic development and used to make the transfers required by IC 36-7.5-4-2 or to provide rail project funding shall be paid by the treasurer of state to the treasurer of the northwest Indiana regional development authority before certified distributions are made to the county or any cities or towns in the county. ~~The county or a city or town in the county may use additional revenue that is allocated each year for economic development purposes under IC 6-3.6-6-9 to provide homestead credits in the county, city, or town. The following apply to homestead credits provided under this subsection:~~

~~(1) The county, city, or town fiscal body must adopt an ordinance authorizing the homestead credits. The ordinance must specify the amount of additional revenue that will be used to provide homestead credits in the following year.~~

~~(2) The county, city, or town fiscal body that adopts an ordinance under this subsection must forward a copy of the ordinance to the~~

county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(3) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

(4) The homestead credits shall be treated for all purposes as property tax levies.

(5) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(6) The state comptroller shall determine the homestead credit percentage for a particular year based on the amount of additional revenue that will be used under this subsection to provide homestead credits in that year.

(c) This subsection applies only to LaPorte County as follows:

(1) This subsection applies if:

(A) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(d) providing that the county is joining the northwest Indiana regional development authority; and

(B) the fiscal body of the city described in IC 36-7.5-2-3(d) has adopted an ordinance under IC 36-7.5-2-3(d) providing that the city is joining the development authority.

(2) Additional revenue that is allocated each year for economic development purposes under IC 6-3.6-6-9 may be used by a county or a city described in IC 36-7.5-2-3(d) for making transfers required by IC 36-7.5-4-2. In addition, if the allocation of additional revenue for economic development purposes under IC 6-3.6-6-9 is increased in the county, the first three million five hundred thousand dollars ($3,500,000) of the tax revenue that results each year from the allocation increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2 and shall be paid by the treasurer of state to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county.

(3) All of the additional revenue allocated for economic development purposes under IC 6-3.6-6-9 that results each year from an allocation increase described in subdivision (2) and that is in excess of the first three million five hundred thousand dollars ($3,500,000) must be used by the county and cities and towns in the county for homestead credits under this subsection. The following apply to homestead credits provided under this

subsection:

(A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

(B) The homestead credits shall be treated for all purposes as property tax levies.

(C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The state comptroller shall determine the homestead credit percentage for a particular year based on the amount of additional revenue that will be used under this subdivision to provide homestead credits in that year.

(d) This subsection applies only to Porter County. The additional revenue designated each year for economic development purposes under IC 6-3.6-6 shall be allocated and used as follows:

(1) First, the revenue attributable to an income tax rate of twenty-five hundredths percent (0.25%) shall be allocated to the county and cities and towns as provided in IC 6-3.6-6-9.

(2) Second, the next three million five hundred thousand dollars ($3,500,000) of the revenue shall be used for the county or for eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county, to make transfers as provided in and required under IC 36-7.5-4-2. The additional revenue used to make the transfers as provided in IC 36-7.5-4-2 shall be paid by the treasurer of state to the treasurer of the northwest Indiana regional development authority before certified distributions are made to the county or any taxing unit in the county. If Porter County ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized by IC 36-7.5-2-3(h), the treasurer of state shall continue to transfer this amount to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2.

(3) Third, except as provided in IC 36-7.5-3-5, all of the revenue each year that is in excess of the amounts described in subdivisions (1) and (2) must be used by the county and cities and towns in the county for homestead credits. The following apply to homestead credits provided under this subdivision:

(A) The homestead credits must be applied uniformly to

~~provide a homestead credit for homesteads in the county, city, or town.~~

~~(B) The homestead credits shall be treated for all purposes as property tax levies.~~

~~(C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.~~

~~(D) The state comptroller shall determine the homestead credit percentage for a particular year based on the amount of additional revenue that will be used under this subdivision to provide homestead credits in that year.~~

~~(e)~~ **(c)** A transfer made on behalf of a city, town, or county under this section after December 31, 2018, is to be considered a payment for services provided to residents by a rail project as those services are rendered.

~~(f)~~ **(d)** A pledge by the northwest Indiana regional development authority of transferred revenue under this section to the payment of bonds, leases, or obligations under this article or IC 5-1.3:

(1) constitutes the obligations of the northwest Indiana regional development authority; and

(2) does not constitute an indebtedness of:

(A) a county or municipality described in this section; or

(B) the state;

within the meaning or application of any constitutional or statutory provision or limitation.

~~(g)~~ **(e)** Neither the transfer of revenue nor the pledge of revenue transferred under this section is an impairment of contract within the meaning or application of any constitutional provision or limitation because of the following:

(1) The statutes governing local income taxes, including the transferred revenue, have been the subject of legislation annually since 1973, and during that time the statutes have been revised, amended, expanded, limited, and recodified dozens of times.

(2) Owners of bonds, leases, or other obligations to which local income tax revenues have been pledged recognize that the regulation of local income taxes has been extensive and consistent.

(3) All bonds, leases, or other obligations, due to their essential contractual nature, are subject to relevant state and federal law that is enacted after the date of a contract.

(4) The state has a legitimate interest in assisting the northwest

Indiana regional development authority in financing rail projects (as defined in IC 36-7.5-1-13.5).

~~(h)~~ **(f)** All proceedings had and actions described in this section are valid pledges under IC 5-1-14-4 as of the date of those pledges or actions and are hereby legalized and declared valid if taken before March 15, 2018.

SECTION 188. IC 6-3.6-11-7, AS AMENDED BY P.L.9-2024, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 7. (a) This section applies to a civil taxing unit that has previously:

(1) entered into an interlocal cooperation or similar agreement;

(2) adopted an ordinance or resolution; or

(3) taken any other action;

offering to provide revenue to support and finance a rail project or rail projects (as defined under IC 36-7.5-1-13.5).

(b) The ~~additional revenue~~ **general purpose revenue** that would otherwise be allocated to a civil taxing unit described in subsection (a) shall be withheld under section 5.5 of this chapter by the state comptroller and shall be paid by the state comptroller to the secretary-treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county and before the county auditor may allocate or distribute tax revenue under this article to any civil taxing unit in the county or counties in which the unit is located.

(c) Amounts:

(1) withheld under section 5.5 of this chapter; and

(2) transferred on behalf of a civil taxing unit under this section;

after December 31, 2018, are considered to be a payment for services provided to residents by a rail project as such services are rendered.

(d) A pledge by the northwest Indiana regional development authority of withheld or transferred revenue received under this chapter to the payment of bonds, leases, or obligations under IC 36-7.5 or IC 5-1.3:

(1) constitutes the obligations of the northwest Indiana regional development authority; and

(2) does not constitute an indebtedness of:

(A) a unit described in this section; or

(B) the state;

within the meaning or application of any constitutional or statutory provision or limitation.

(e) Neither the withholding or transfer of revenue nor the pledge of revenue withheld or transferred under this chapter is an impairment of

contract within the meaning or application of any constitutional provision or limitation because of the following:

(1) The statutes governing local income taxes, including the withheld or transferred revenue, have been the subject of legislation annually since 1973, and during that time the statutes have been revised, amended, expanded, limited, and recodified dozens of times.

(2) Owners of bonds, leases, or other obligations to which local income tax revenues have been pledged recognize that the regulation of local income taxes has been extensive and consistent.

(3) All bonds, leases, or other obligations, due to their essential contractual nature, are subject to relevant state and federal law that is enacted after the date of a contract.

(4) The state has a legitimate interest in assisting the northwest Indiana regional development authority in financing rail projects (as defined in IC 36-7.5-1-13.5).

(f) All:

(1) agreements;

(2) ordinances or resolutions; and

(3) proceedings had and actions described in this chapter;

are valid pledges under IC 5-1-14-4 as of the date of those pledges or actions and are hereby legalized and declared valid if taken before April 30, 2019.

SECTION 189. IC 6-3.6-11-7.5, AS AMENDED BY P.L.9-2024, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2028]: Sec. 7.5. (a) An action challenging any action taken under section 5.5, 5.7, 6, or 7 of this chapter to withhold or transfer revenue to the secretary-treasurer of the northwest Indiana regional developmental authority (IC 36-7.5) from a county's certified distribution must be brought within ten (10) days after the date on which the county auditor notifies the secretary-treasurer of the northwest Indiana regional development authority (IC 36-7.5) of the amount of certified tax revenue that will be distributed under ~~IC 6-3.6-9-5(d).~~ **IC 6-3.6-9-5(b).**

(b) A court shall require a plaintiff to provide a bond with surety in an amount equal to the total amounts of tax revenue estimated to be withheld or transferred by the state comptroller from the date of the filing until December 31, 2049.

(c) The burden of proof in an action under this section is on the plaintiff.

(d) If the defendant prevails in an action under this section, the court

shall award attorney's fees to the defendant.

SECTION 190. IC 6-6-5-5, AS AMENDED BY P.L.256-2017, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 5. A person that owns a vehicle and that is entitled to a property tax deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16 **(before their expiration)** is entitled to a credit against the vehicle excise tax as follows: Any remaining deduction from assessed valuation to which the person is entitled, applicable to property taxes payable in the year in which the excise tax imposed by this chapter is due, after allowance of the deduction on real estate and personal property owned by the person, shall reduce the vehicle excise tax in the amount of two dollars ($2) on each one hundred dollars ($100) of taxable value or major portion thereof. The county auditor shall, upon request, furnish a certified statement to the person verifying the credit allowable under this section, and the statement shall be presented to and retained by the bureau to support the credit.

SECTION 191. IC 6-6-5-5.2, AS AMENDED BY P.L.256-2017, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 5.2. (a) This section applies to a registration year beginning after December 31, 2013.

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

(1) The individual meets all the following requirements:

(A) The individual served in the military or naval forces of the United States during any of its wars.

(B) The individual received an honorable discharge.

(C) The individual has a disability with a service connected disability of ten percent (10%) or more.

(D) The individual's disability is evidenced by:

(i) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(ii) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a credit under this section.

(E) The individual does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13 **(before its**

expiration).

(2) The individual meets all the following requirements:

(A) The individual served in the military or naval forces of the United States for at least ninety (90) days.

(B) The individual received an honorable discharge.

(C) The individual either:

(i) has a total disability; or

(ii) is at least sixty-two (62) years of age and has a disability of at least ten percent (10%).

(D) The individual's disability is evidenced by:

(i) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or

(ii) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a credit under this section.

(E) The individual does not own property to which a property tax deduction may be applied under IC 6-1.1-12-14 **(before its expiration).**

(3) The individual meets both of the following requirements:

(A) The individual is the surviving spouse of any of the following:

(i) An individual who would have been eligible for a credit under this section if the individual had been alive in 2013 and this section had been in effect in 2013.

(ii) An individual who received a credit under this section in the previous calendar year.

(iii) A World War I veteran.

(B) The individual does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16 **(before their expiration).**

(c) The amount of the credit that may be claimed under this section is equal to the lesser of the following:

(1) The amount of the excise tax liability for the individual's vehicle as determined under section 3 or 3.5 of this chapter, as applicable.

(2) Seventy dollars ($70).

(d) The maximum number of motor vehicles for which an individual may claim a credit under this section is two (2).

(e) An individual may not claim a credit under both:

(1) this section; and

(2) section 5 of this chapter.

(f) The credit allowed by this section must be claimed on a form prescribed by the bureau. An individual claiming the credit must attach to the form an affidavit from the county auditor stating that the claimant does not own property to which a property tax deduction may be applied under IC 6-1.1-12-13, IC 6-1.1-12-14, or IC 6-1.1-12-16 **(before their expiration).**

SECTION 192. IC 6-6-6.5-13, AS AMENDED BY P.L.1-2009, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 13. (a) As the basis for measuring the tax imposed by this chapter, the department shall classify every taxable aircraft in its proper class according to the following classification plan:

CLASS	DESCRIPTION
A	Piston-driven
B	Piston-driven, and Pressurized
C	Turbine driven or other Powered
D	Homebuilt, Gliders, or Hot Air Balloons

(b) The tax imposed under this chapter is based on the age, class, and maximum landing weight of the taxable aircraft. The amount of tax imposed on the taxable aircraft is based on the following table:

Age	Class A	Class B	Class C	Class D
0-4	$.04/lb	$.065/lb	$.09/lb	$.0175/lb
5-8	$.035/lb	$.055/lb	$.08/lb	$.015/lb
9-12	$.03/lb	$.05/lb	$.07/lb	$.0125/lb
13-16	$.025/lb	$.025/lb	$.025/lb	$.01/lb
17-25	$.02/lb	$.02/lb	$.02/lb	$.0075/lb
over 25	$.01/lb	$.01/lb	$.01/lb	$.005/lb

(c) An aircraft owner, who sells an aircraft on which the owner has paid the tax imposed under this chapter, is entitled to a credit for the tax paid. The credit equals excise tax paid on the aircraft that was sold, times the lesser of:

(1) ninety percent (90%); or

(2) ten percent (10%) times the number of months remaining in the registration year after the sale of the aircraft.

The credit may only be used to reduce the tax imposed under this chapter on another aircraft purchased by that owner during the registration year in which the credit accrues. A person may not receive a refund for a credit under this subsection.

(d) A person who is entitled to a property tax deduction under IC 6-1.1-12-13 or IC 6-1.1-12-14 **(before their expiration)** is entitled to a credit against the tax imposed on the person's aircraft under this chapter. The credit equals the amount of the property tax deduction to which the person is entitled under IC 6-1.1-12-13 and IC 6-1.1-12-14 **(before their expiration)** minus the amount of that deduction used to offset the person's property taxes or vehicle excise taxes, times seven hundredths (.07). The credit may not exceed the amount of the tax due under this chapter. The county auditor shall, upon the person's request, furnish a certified statement showing the credit allowable under this subsection. The department may not allow a credit under this subsection until the auditor's statement has been filed in the department's office.

SECTION 193. IC 6-8.1-6-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 9. Beginning with the individual adjusted gross income tax return for taxable years beginning in 2025, the department of state revenue shall include on the adjusted gross income tax return a requirement that the taxpayer identify the address of the taxpayer's principal place of residence.**

SECTION 194. IC 6-9-10.5-8, AS AMENDED BY P.L.197-2016, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 8. (a) If the tax levied under section 6 of this chapter is increased by an ordinance adopted by the county fiscal body after June 30, 2011, the county treasurer shall establish a county promotion fund. The county treasurer shall deposit in the county promotion fund the difference between:

(1) the amount received under section 6 of this chapter; minus

(2) the amount deposited in the lake enhancement fund under section 7(c) of this chapter.

(b) In a county in which a commission has been established under section 9 of this chapter, the county auditor shall issue a warrant directing the county treasurer to transfer money from the county promotion fund to the commission's treasurer if the commission submits a written request for the transfer.

(c) Money in a county promotion fund, or money transferred from such a fund under subsection (b), may be expended only to promote and encourage conventions, visitors, tourism, and economic development within the county. Expenditures that may be made under this subsection include expenditures for advertising, promotional activities, trade shows, special events, and recreation, and expenditures that are authorized by IC 6-3.6-10-2 with respect to the county's

additional revenue that is allocated for economic development purposes under ~~IC 6-3.6-6-9.~~ **IC 6-3.6-6.**

SECTION 195. IC 8-5-15-5, AS AMENDED BY P.L.108-2019, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 10, 2025 (RETROACTIVE)]: Sec. 5. (a) The board has all powers reasonably necessary to carry out the purpose of this chapter including the following powers:

(1) To receive federal, state, county, and municipal funds, or private contributions and disburse them for the purpose of aiding commuter transportation systems serving the district.

(2) To monitor and evaluate the use of funds granted or distributed by the district.

(3) To apply for federal, state, municipal, or county funds for the purpose of rendering assistance to commuter transportation systems.

(4) To coordinate its plans and activities with:

(A) any public transportation authority serving one (1) or more counties that are served by the system and through which the system passes;

(B) the Indiana department of transportation;

(C) regional planning commissions serving any portion of the district;

(D) units of county and municipal government included in the district; and

(E) any regional transportation authority, transit authority, or like governmental unit in another state if the commuter transportation system crosses the boundary of the state or serves another.

(5) To purchase, lease, or lease with option to purchase capital equipment in aid of any system of commuter transportation operating in the district, and lease the equipment to the system under conditions and for a term to be determined by the board.

(6) As a municipal corporation, to sue and be sued.

(7) To conduct public hearings to accomplish the purpose of this chapter.

(8) To seek and accept the assistance of any public or publicly funded agency in carrying out its functions and duties.

(9) To enter into agreements with either private or public agencies for any purpose required to accomplish the intent of this chapter. The board may enter into a trust indenture or any other agreement with the board for depositories in order to obtain a loan or a loan guarantee under IC 5-13-12-11.

(10) To set levels of service and rates notwithstanding IC 8-3-1, for transportation of passengers subject to section 7 of this chapter.

(11) To expend funds granted to the district from any source for the purpose of paying reasonable administrative expenses.

(12) To purchase, acquire, lease, or lease with option to purchase all or any part of the assets of a railroad that is providing commuter transportation services within the district and to purchase or acquire all or any part of the issued and outstanding stock of a railroad that is providing commuter transportation services within the district.

(13) To own all or any part of the capital stock or assets of a railroad that is providing commuter transportation services within the district, and to operate either directly, by management contract, or by lease any such railroad.

(14) **Subject to section 5.3 of this chapter,** to issue revenue bonds of the district payable solely from revenues for the purpose of paying all or any part of the cost of acquiring the capital stock of a railroad company, all or any part of the assets of a railroad, or any property, real or personal, for the purposes of this chapter.

(15) To acquire, lease, construct, maintain, repair, police, and operate a railroad and to establish rules for the use of the railroad and other properties subject to the jurisdiction and control of the board.

(16) To acquire and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter.

(17) To lease to others for development or operation all or any part of a railroad on such terms and conditions as the board considers advisable.

(18) To make and enter into all contracts, undertakings, and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter.

(19) To employ, subject to sections 18 and 19 of this chapter, an executive director or manager, consulting engineers, superintendents, and such other engineers, construction and accounting experts, attorneys, and other employees and agents as may be necessary in its judgment, and to fix their compensation.

(20) To negotiate and enter into agreements for railroad trackage rights regardless of the location of the track.

(21) To authorize the Indiana department of transportation to exercise all or a part of the powers of the board under this chapter

or IC 5-1.3 that are necessary or desirable to accomplish the purposes of this chapter or IC 5-1.3, subject, in each case, to the agreement of the Indiana department of transportation.

(22) To do all other acts necessary or reasonably incident to carrying out the purpose of this chapter.

(b) Notwithstanding the powers granted to the board in subsection (a), the district does not have the power to levy taxes.

(c) In the event the board of trustees determines that the commuter transportation system or the railroad owned by the district cannot continue to provide adequate transportation service, or the district is terminated, the board may, subject to the conditions of any state or federal grant used to purchase equipment or property, dispose of any properties of the district.

(d) In the event the district is dissolved, ninety percent (90%) of the proceeds shall be paid to the state and ten percent (10%) to the counties in proportion to their contributions.

(e) In the exercise of any of the powers granted to the board in subsection (a), the board is not subject to any other laws related to commuter transportation systems or railroads.

SECTION 196. IC 8-5-15-5.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 10, 2025 (RETROACTIVE)]: **Sec. 5.3. Notwithstanding any other law, the northern Indiana commuter transportation district established under this chapter may not issue new bonds, new notes, or other new evidences of indebtedness after May 9, 2025, that are payable in whole or in part from amounts distributed to the northern Indiana commuter transportation district from the commuter rail service fund (IC 8-3-1.5-20.5) or the electric rail service fund (IC 8-3-1.5-20.6). However, this section may not be construed to prohibit the refinancing of outstanding indebtedness originally incurred before May 10, 2025.**

SECTION 197. IC 8-5-15-5.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 10, 2025 (RETROACTIVE)]: Sec. 5.4. (a) **Subject to section 5.3 of this chapter,** the board may provide by resolution, at one (1) time or from time to time, for the issuance of revenue bonds of the district for the purpose of paying all or any part of the cost of a railroad project. The principal of and the interest on the bonds are payable solely from the revenues specifically pledged to the payment thereof. The bonds of each issue shall be dated, bear interest at any rate, and mature at a time or times not exceeding forty (40) years from the date thereof, as may be determined by the board, and may be made redeemable before maturity, at the option of the board, at such

price or prices and under such terms and conditions as may be fixed by the board in the authorizing resolution.

(b) The board shall determine the form of the bonds, including any interest coupons to be attached to the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest.

(c) The bonds shall be issued in the name of the district and executed by the manual or facsimile signature of the president of the board. The manual or facsimile seal of the district shall be affixed or imprinted on the bonds and attested by the manual or facsimile signature of the secretary of the district. However, one (1) of the signatures must be manual, unless the bonds are authenticated by the manual signature of an authorized representative of a trustee for the bondholders. Any coupons attached to the bonds must bear the facsimile signature of the treasurer of the board. In case any officer whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be an officer before the delivery of the bonds, the signature or facsimile shall nevertheless be considered valid and sufficient for all purposes the same as if he had remained in office until the delivery. The bonds must contain on their face a statement to the effect that the bonds, as to both principal and interest, are payable solely from the revenues pledged for their payment.

(d) All bonds issued under this chapter have all the qualities and incidents of negotiable instruments under the negotiable instruments law of Indiana.

(e) The bonds may be issued in coupon, registered, or book entry form, or any combination of these, as the board may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest.

(f) The board may sell the bonds in such manner and for such price as it may determine to be in the best interest of the district, either at public sale under IC 5-1-11 or at private sale.

(g) The board may issue bonds under this chapter only after obtaining approval of the issuance by the Indiana department of transportation. Before giving approval, the Indiana department of transportation shall give due consideration to any contract terms and conditions that impinge on the continuation of revenues for the term of any bond.

(h) This chapter constitutes full and complete authority for the issuance of bonds. No law, procedure or proceedings, publications,

notices, consents, approvals, orders, acts, or things by the board or any other officer, department, agency or instrumentality of the state, county, or any municipality shall be required to issue such bonds except as may be prescribed in this chapter.

(i) Bonds issued under the provisions of this section shall constitute legal investments for any private trust funds, and the funds of any banks, trust companies, insurance companies, building and loan associations, credit unions, banks of discount and deposit, savings banks, loans and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and any other financial institutions organized under the laws of the state of Indiana.

(j) Bonds may not be sold to purchase or lease assets or purchase capital stock of a railroad unless the board has a written undertaking from the seller or lessor that the seller or lessor will take no direct action calculated to cause the reduction of levels of freight service being rendered or revenues being generated on any such railroad for a period of time not less than the term of the bonds.

SECTION 198. IC 8-9.5-8-17, AS AMENDED BY P.L.99-2007, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2027]: Sec. 17. The authority shall study and implement programs to assist in the transportation of military veterans or individuals with a disability (as defined in IC 6-1.1-12-11 **before its expiration)** who travel on a toll road to or from a hospital for treatment. However, a program may not be inconsistent with the trust indenture securing the bonds of the toll road.

SECTION 199. IC 8-18-22-6, AS AMENDED BY P.L.256-2017, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 6. (a) Except as provided in subsection (b), the county fiscal body may pledge revenues for the payment of principal and interest on the bonds and for other purposes under the ordinance as provided by IC 5-1-14-4, including revenues from the following sources:

(1) The motor vehicle highway account.
(2) The local road and street account.
(3) The county vehicle excise tax.
(4) The county wheel tax.
(5) The local income tax (IC 6-3.6).
(6) Assessments.
(7) Any other unappropriated or unencumbered money.

(b) The county fiscal body may not pledge to levy ad valorem

property taxes for these purposes, except for revenues from the following:

(1) IC 8-16-3.

(2) IC 8-16-3.1.

(c) If the county fiscal body has pledged revenues from the local income tax as set forth in subsection (a), the ~~local income tax council (as defined in IC 6-3.6-2-12)~~ **county fiscal body** may covenant that the ~~council~~ **county fiscal body** will not repeal or modify the tax in a manner that would adversely affect owners of outstanding bonds issued under this chapter. The ~~local income tax council~~ **county fiscal body** may make the covenant by adopting an ordinance using procedures described in IC 6-3.6-3.

SECTION 200. IC 8-22-3.5-9, AS AMENDED BY P.L.174-2022, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 9. (a) As used in this section, "base assessed value" means, subject to subsection (k):

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 or 9.5 of this chapter, notwithstanding the date of the final action taken under section 6 of this chapter; plus

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

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) A resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except as otherwise provided in this section:

(1) the proceeds of the taxes attributable to the lesser of:

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

(B) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units; and

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

(e) All of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) The commission may determine that a portion of tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds or a loan contract of the board of aviation commissioners or airport authority for a qualified airport development project, to the payment of leases for a qualified airport development project, or to the payment of principal and interest on bonds issued by an eligible entity to pay for qualified airport development projects in the airport development zone or serving the airport development zone.

(3) The commission may determine that a part of the tax proceeds shall be allocated to a project fund and used to pay expenses incurred by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

(4) Except as provided in subsection (f), all remaining tax

proceeds after allocations are made under subdivisions (1), (2), and (3) shall be allocated to a project fund and dedicated to the reimbursement of expenditures made by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

(f) Before July 15 of each year, the commission shall do the following:

(1) Determine the amount, if any, by which tax proceeds allocated to the project fund in subsection (e)(3) in the following year will exceed the amount necessary to satisfy amounts required under subsection (e).

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

(A) state the amount, if any, of excess tax proceeds that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subsection (d)(1); or

(B) state that the commission has determined that there are no excess tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subsection (d)(1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess tax proceeds determined by the commission.

(g) When money in the debt service fund and in the project fund is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the board of aviation commissioners or airport authority for the financing of qualified airport development projects, all lease rentals payable on leases of qualified airport development projects, and all costs and expenditures associated with all qualified airport development projects, money in the debt service fund and in the project fund in excess of those amounts shall be paid to the respective taxing units in the manner prescribed by subsection (d)(1).

(h) Property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

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

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

(2) the base assessed value.

(k) If the commission confirms, or modifies and confirms, a resolution under section 6 of this chapter and the commission makes either of the filings required under section 6(c) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the airport development zone is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of:

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

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

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

SECTION 201. IC 12-20-25-34, AS AMENDED BY P.L.197-2016, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 34. The financial plan adopted under section 33 of this chapter may include the following:

(1) The adoption in the current year of a local income tax rate under IC 6-3.6 not to exceed one percent (1%). If a local income tax rate is imposed under this chapter, the ordinance must specify whether any revenue in excess of the rate needed to carry out the financial plan is to be used for property tax relief (IC 6-3.6-5) **(before its expiration)** or as additional revenue (IC 6-3.6-6). The revenue from the tax rate under this section shall be distributed as provided in this chapter. The adoption of a local income tax rate under this chapter is in addition to the local income tax rate under IC 6-3.6 that may already be in effect in the county.

(2) The payment of township assistance with county money.

(3) The elimination or reduction of township assistance services

not required under this article.

SECTION 202. IC 12-20-25-35, AS AMENDED BY P.L.197-2016, SECTION 104, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 35. (a) The control board shall report the following to the county fiscal body:

(1) The audit findings of the management committee.

(2) The financial plan adopted under section 33 of this chapter.

(b) Not more than thirty (30) days after notice, the county fiscal body shall adopt one (1) of the following:

(1) An ordinance adopting the financial plan adopted by the control board.

(2) An ordinance rejecting the financial plan adopted by the control board.

(c) Notwithstanding IC 6-3.6-3, if:

(1) the financial plan adopted under section 33 of this chapter includes a local income tax rate; and

(2) the fiscal body adopts an ordinance adopting the financial plan under subsection (b);

the local income tax rate is imposed at the rate adopted in the financial plan. ~~Subject to the requirements of this chapter and notwithstanding that the local income tax council may be the adopting body specified in IC 6-3.6-3-1, the county fiscal body, rather than the local income tax council, has the authority granted to a local income tax council by IC 6-3.6-3 as long as the local income tax rate imposed under this chapter remains in effect.~~

SECTION 203. IC 14-33-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 3. **(a) Except as provided in subsection (b),** in all districts described in IC 14-33-9-4, the special benefits tax rate may not exceed six and sixty-seven hundredths cents ($0.0667) on each one hundred dollars ($100) of assessed valuation of property in the taxing district.

(b) This subsection applies to a district established after December 31, 2024. The special benefits tax rate may not exceed five cents ($0.05) on each one hundred dollars ($100) of assessed valuation of property in the taxing district.

SECTION 204. IC 20-23-19 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 19. Dissolution of Union School Corporation

Sec. 1. As used in this chapter, "annex" has the meaning set forth in IC 20-23-5-2.

Sec. 2. The Union School Corporation and the governing body

of the Union School Corporation are dissolved on July 1, 2027.

Sec. 3. (a) On July 1, 2027, the territory of the Union School Corporation is annexed as follows:

(1) All of the territory of the Union School Corporation that is located in Henry County is annexed to the Blue River Valley Schools School Corporation.

(2) All of the territory of the Union School Corporation that is located in Randolph County is annexed to the Monroe Central School Corporation.

(b) The Union School Corporation may not, after July 1, 2025, do any of the following:

(1) Issue new bonds.

(2) Enter into a lease.

(3) Otherwise incur any new obligations.

Sec. 4. (a) Notwithstanding IC 20-26-7.1, the governing body of the Union School Corporation, before its dissolution under this chapter, shall offer for sale and sell in the open market any building and real property owned by the Union School Corporation.

(b) If the governing body is unable to sell a building described in subsection (a), the governing body of the Union School Corporation shall make the building available for purchase as provided under IC 20-26-7.1.

(c) If the governing body of the Union School Corporation does not sell a building or any real property described in subsection (a), the governing body shall transfer ownership of the building and any real property to the governing body of the Monroe Central School Corporation.

(d) Notwithstanding IC 20-26-7.1, the governing body of the Monroe Central School Corporation may offer for sale and sell any building or real property transferred under subsection (c) in the open market.

Sec. 5. (a) The governing body of the Union School Corporation shall use any unencumbered funds and assets, including buses or other personal property, owned or held by the Union School Corporation to pay existing debts or liabilities of the Union School Corporation.

(b) If funds and assets described in subsection (a) are insufficient to pay all the existing debts or liabilities of the Union School Corporation, there is appropriated on June 1, 2027, to the Union School Corporation from the state general fund an amount sufficient to pay off all existing debts of the Union School

Corporation.

Sec. 6. (a) If the Union School Corporation has any remaining unencumbered funds or assets after all debts of the Union School Corporation are paid, the remaining unencumbered funds or assets must be divided for transfer to the Blue River Valley Schools School Corporation and the Monroe Central School Corporation as follows:

STEP ONE: Determine the total assessed value of all property subject to taxation by the Union School Corporation.

STEP TWO: Determine the total assessed value of all property subject to taxation by the Union School Corporation that is located in Henry County.

STEP THREE: Determine the total assessed value of all property subject to taxation by the Union School Corporation that is located in Randolph County.

STEP FOUR: Calculate the quotient of:

(A) STEP TWO; divided by

(B) STEP ONE.

STEP FIVE: Calculate the quotient of:

(A) STEP THREE; divided by

(B) STEP ONE.

STEP SIX: Determine the product of:

(A) the amount or value of any remaining unencumbered funds or assets of the Union School Corporation; multiplied by

(B) STEP FOUR.

STEP SEVEN: Determine the product of:

(A) the amount or value of any remaining unencumbered funds or assets of the Union School Corporation; multiplied by

(B) STEP FIVE.

(b) The governing body of the Union School Corporation shall do the following:

(1) Determine the amount of the fair market value of each remaining unencumbered asset owned by the Union School Corporation.

(2) Transfer the following not later than June 30, 2027:

(A) The amount of any funds plus assets, as applicable, that is equal to the product determined under STEP SIX of subsection (a) to the Blue River Valley Schools School Corporation.

(B) The amount of any funds plus assets, as applicable, that

is equal to the product determined under STEP SEVEN of subsection (a) to the Monroe Central School Corporation.

Sec. 7. (a) With the addition of the annexed territory under this chapter, the governing body of the Blue River Valley Schools School Corporation shall, not later than July 1, 2025, begin the process of adopting a plan, as needed, to determine the manner in which the governing body shall be constituted.

(b) With the addition of the annexed territory under this chapter, the governing body of the Monroe Central School Corporation shall, not later than July 1, 2025, begin the process of adopting a plan, as needed, to determine the manner in which the governing body shall be constituted.

(c) Except as provided in subsection (d), the plan shall be adopted in accordance with the requirements and procedures of IC 20-23-8.

(d) The adoption of a plan under IC 20-23-8-10 and the submission of the plan to the state board under IC 20-23-8-15 are the only procedures required when an existing plan is changed as described in IC 20-23-5-11(b).

(e) A plan described in subsection (a) or (b) must be adopted and effective not later than May 15, 2027.

Sec. 8. For purposes of meeting the requirements of IC 3-8-1-34, an individual residing in territory annexed under section 3 of this chapter is considered a resident of the Blue River Valley Schools School Corporation or the Monroe Central School Corporation, whichever is applicable, during the time period in which the individual resided in the territory before the annexation.

Sec. 9. This subsection applies to the second installment of property taxes first due and payable in 2027. In the case of property tax revenue that, if not for the application of this chapter, is collected for Union School Corporation that is attributable to tangible property located in Randolph County, the Randolph County auditor shall distribute the property tax revenue instead to Monroe Central School Corporation. In the case of property tax revenue that, if not for the application of this chapter, is collected for Union School Corporation that is attributable to tangible property located in Henry County, the Henry County auditor shall distribute the property tax revenue instead to Blue River Valley School Corporation.

Sec. 10. This chapter expires July 1, 2028.

SECTION 205. IC 20-24-3-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2025]: **Sec. 19. (a) This section applies to a charter school that receives property tax revenue under any statute referred to in IC 20-24-7-6.1 or IC 20-24-7-6.2.**

(b) As used in this section, "executive" has the meaning set forth in IC 36-1-2-5.

(c) Regardless of whether a charter school is located in the county, a city, or a town, the county executive shall appoint one (1) individual to serve as a member of the governing board of a charter school.

SECTION 206. IC 20-24-4-1, AS AMENDED BY P.L.150-2024, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) A charter must meet the following requirements:

(1) Be a written instrument.

(2) Be executed by an authorizer and an organizer.

(3) Confer certain rights, franchises, privileges, and obligations on a charter school.

(4) Confirm the status of a charter school as a public school.

(5) Subject to subdivision (6)(E), be granted for:

(A) not less than three (3) years or more than fifteen (15) years; and

(B) a fixed number of years agreed to by the authorizer and the organizer.

(6) Provide for the following:

(A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.

(B) Renewal, if the authorizer and the organizer agree to renew the charter.

(C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.

(D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:

(i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;

(ii) describe improvements undertaken or planned for the charter school; and

(iii) detail the charter school's plans for the next charter

term.

(E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application. A renewal granted under this clause is not subject to the three (3) year minimum described in subdivision (5). The April 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:

(A) revoke the charter before the end of the term for which the charter is granted; or

(B) not renew a charter.

(8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:

(A) Evidence of improvement in:

(i) assessment measures, including the statewide assessment program measures;

(ii) attendance rates;

(iii) graduation rates (if appropriate);

(iv) increased numbers of Indiana diplomas with a Core 40 designation or increased numbers of Indiana diploma designations established under IC 20-19-2-21 and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);

(v) increased numbers of Indiana diplomas with Core 40 with academic honors and technical honors designations (if appropriate);

(vi) student academic growth;

(vii) financial performance and stability; and

(viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.

(B) Evidence of progress toward reaching the educational goals set by the organizer.

(9) Describe the method to be used to monitor the charter school's:

(A) compliance with applicable law; and

(B) performance in meeting targeted educational performance.

(10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.

(11) Describe specific operating requirements, including all the matters set forth in the application for the charter.

(12) Specify a date when the charter school will:

(A) begin school operations; and

(B) have students attending the charter school.

(13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.

(14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.

(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.

(16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:

(A) that the school will offer flexible scheduling;

(B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;

(C) that the school will offer dual credit or industry certification course work that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3 (expired); and

(D) a plan:

(i) to support successful program completion and to assist transition of graduates to the workforce or to a postsecondary education upon receiving a diploma from the adult high school; and

(ii) to review individual student accomplishments and

success after a student receives a diploma from the adult high school.

(17) In the case of a charter school that is subject to IC 20-24-3-19, the charter must confirm that at least one (1) member of the governing board of the charter school will be appointed in accordance with IC 20-24-3-19.

(b) A charter school shall set annual performance targets in conjunction with the charter school's authorizer. The annual performance targets shall be designed to help each school meet applicable federal, state, and authorizer expectations.

SECTION 207. IC 20-24-7-6, AS AMENDED BY P.L.189-2023, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6. ~~(a) With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's operations fund to a charter school.~~ A charter school may elect to distribute a proportionate share of the charter school's operations fund to the school corporation in whose district the charter school is located.

~~(b) Except as provided in IC 20-46-1-21 and IC 20-46-9-22, a governing body may distribute money that is received as part of a tax levy collected under IC 20-46-1 from the school corporation's education fund to a charter school, excluding a virtual charter school, in the manner provided by IC 20-46-1-8(c).~~

~~(c) Except as provided in IC 20-46-1-21 and IC 20-46-9-22, a governing body may distribute money from the school safety referendum tax levy fund to a charter school, excluding a virtual charter school, in the manner prescribed by IC 20-46-9-6(b).~~

SECTION 208. IC 20-24-7-6.1, AS ADDED BY P.L.201-2023, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6.1. (a) This section applies to revenue collected:

(1) after June 30, 2024, **and before January 1, 2028,** from a tax levy imposed under IC 20-46-8 by the governing body of a school corporation described in IC 20-46-8-11.2(a); **and**

(2) after December 31, 2027, in the case of a tax levy imposed under IC 20-46-8 by the governing body of a school corporation.

(b) ~~Beginning~~ In calendar year 2025, **2026, and 2027,** ~~and each year thereafter,~~ the county auditor shall distribute money that is received as part of a tax levy collected under IC 20-46-8 to an eligible charter school, excluding a virtual charter school and adult high school, for deposit in the charter school's operations fund created under

IC 20-40-18-1. The distributions shall be made at the same time that tax levy revenue is required to be distributed to school corporations.

(c) Beginning in calendar year 2028, and each year thereafter, the county auditor shall distribute money that is received as part of a tax levy collected under IC 20-46-8 to an eligible charter school, excluding a virtual charter school and adult high school, in the manner prescribed by IC 20-46-8-12 for deposit in the charter school's operations fund created under IC 20-40-18-1. The distributions shall be made at the same time that tax levy revenue is required to be distributed to school corporations.

SECTION 209. IC 20-24-7-6.2, AS ADDED BY P.L.189-2023, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6.2. (a) This section applies to a levy:

(1) resulting from a resolution to place a referendum on the ballot adopted by the governing body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7 after May 10, 2023, for counties described in IC 20-46-1-21(a) and IC 20-46-9-22(a); **or**

(2) if the:

(A) governing body of the school corporation approves the referendum levy in a resolution adopted under IC 20-46-1-8 or IC 20-46-1-8.5; and

(B) referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.

(b) The county auditor in the county in which the applicable school corporation is located shall distribute money that is received as part of a tax levy collected under IC 20-46-1 to an applicable charter school, excluding a virtual charter school **or adult high school,** in the manner provided by IC 20-46-1-21.

(c) The county auditor in the county in which the applicable school corporation is located shall distribute money that is received as part of a tax levy collected under IC 20-46-9 to an applicable charter school, excluding a virtual charter school **or adult high school,** in the manner prescribed by IC 20-46-9-22.

(d) A charter school that may receive money from a school corporation's tax levy collected under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9 ~~may not promote a position on~~ **is prohibited from promoting** a referendum in the same manner as a school corporation is prohibited from promoting a position on a referendum under IC 20-46-1-20.

(e) If a charter school receives a distribution from a school

corporation from the school corporation's tax levy collected under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, the charter school must post the following on the charter school's website:

(1) The specific purposes for which the revenue received from the tax levy will be used.

(2) An estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (1).

SECTION 210. IC 20-24-7-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 17. (a) This section is in addition to any other requirement imposed on a charter school with respect to the closure of a charter school, including the payment of any outstanding debts.**

(b) At the time of the closure of a charter school, the charter school shall return any money remaining unexpended from any distribution of property tax revenue received from a levy referred to in sections 6.1 and 6.2 of this chapter to the school corporation that made the distribution. A charter school that closes is not entitled to any future distributions of property tax revenue from a levy referred to in sections 6.1 and 6.2 of this chapter.

(c) If a charter school has outstanding debt at the time of the closure, the charter school must satisfy the outstanding debt in accordance with the following:

(1) If the charter school owns the building but did not purchase the building under IC 20-26-7.1, the charter school must first sell the building and apply the proceeds received from the sale to pay off the outstanding debt.

(2) If subdivision (1) does not apply, the charter school must satisfy the debt by means of any other revenue source legally available to the charter school.

(d) A charter school that closes must notify the county auditor of the county in which the charter school is located of the closure and provide the county auditor with a copy of the:

(1) charter school authorizer's decision;

(2) charter school's governing body's vote determining; or

(3) minutes of the meeting at which the charter school's governing body made the decision;

to close the charter school.

SECTION 211. IC 20-25.7-5-3, AS AMENDED BY P.L.162-2024, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) For as long as a charter school remains a

participating innovation network charter school:

(1) the school corporation may provide transportation for students attending the participating innovation network charter school;

(2) the school corporation may maintain and repair the buildings and grounds used by the participating innovation network charter school consistent with the maintenance and repair to the school corporation's other buildings and grounds;

(3) the school corporation may enter into an agreement to transfer the ownership of a school corporation facility to the organizer; and

(4) the school corporation may not alter the use of the facility occupied by the participating innovation network charter school without agreement from the organizer.

(b) If an organizer contracts with a school corporation for goods or services, the school corporation may not charge the organizer more for the goods or services than the school corporation pays for the goods or services. A school corporation may not require an organizer to contract for specific goods or services provided by the school corporation or any other entity.

(c) A school corporation and an organizer may negotiate to require specific services with regard to a participating innovation network charter school during the term of an agreement. However, an organizer must be able to select the service provider for the services.

(d) For as long as a charter school remains a participating innovation network charter school, the school corporation may distribute money levied as property taxes to the charter school. Property taxes distributed to a charter school must be used only for a purpose for which the property taxes could have been used by the school corporation. Property taxes distributed under this subsection may supplement services and property provided under subsection (a) or (b). The parties may jointly modify an agreement described in section 2 of this chapter to implement this subsection.

(e) An agreement concerning the transfer of ownership of a school corporation facility described in subsection (a) is not subject to IC 20-26-7.1.

(f) Unless an agreement entered into before July 1, 2024, between a board and an organizer provides otherwise, a school corporation may not charge an organizer an amount for goods and services that is greater than the amount of the operations fund property tax levy the organizer receives under IC 20-46-8-11.2 **or IC 20-46-8-12** for the participating innovation network charter school.

SECTION 212. IC 20-26-7-18, AS AMENDED BY P.L.250-2023,

SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 18. Subject to IC 5-1-11.5, a school corporation may issue and sell bonds under the general statutes governing the issuance of bonds to purchase and improve buildings or lands, or both. All laws relating to approval (if required) in a local public question under IC 6-1.1-20, **including the requirement that a local public question may be placed on the ballot only at a general election,** the filing of petitions, remonstrances, and objecting petitions, giving notices of the filing of petitions, the determination to issue bonds, and the appropriation of the proceeds of the bonds are applicable to the issuance of bonds under section 17 of this chapter.

SECTION 213. IC 20-26-7.1-1, AS AMENDED BY P.L.36-2024, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) For purposes of this section, "charter school" does not include a virtual charter school or an adult high school.

(b) This chapter does not apply to the following:

(1) A school building that since July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

(2) A school corporation to which all of the following apply:

(A) The county auditor distributes revenue after May 10, 2023, as required under IC 20-46-1-21 **or IC 20-46-1-22** to each **eligible** charter school. ~~described in IC 20-46-1-21(b).~~

(B) If the school corporation listed in IC 20-46-9-22 receives revenue from a school safety referendum tax levy under IC 20-46-9, the county auditor distributes revenue after May 10, 2023, as required under IC 20-46-9-22 to each charter school described in IC 20-46-9-22(b).

The above subdivisions are intended to apply retroactively. No referendums or distributed revenue prior to May 10, 2023, are effective to provide exemption from this chapter.

(3) A school corporation to which all of the following apply:

(A) The school corporation approves a resolution after May 10, 2023, to impose an operating referendum tax levy under IC 20-46-1 after May 10, 2023, that includes sharing the revenue from the referendum tax levy in the amounts described in clause (B) with each charter school that:

(i) a student who resides within the attendance area of the school corporation attends; and

(ii) elects to participate in the referendum.

The above subdivisions are intended to apply retroactively. No resolutions, referendums, or distributed revenue prior to May 10, 2023, are effective to provide exemption from this chapter.

(B) The amount of referendum tax levy revenue that the school corporation is required to share with each charter school under the resolution described in clause (A) is equal to the amount determined applying the **applicable** formula under ~~IC 20-46-1-21(d).~~ **IC 20-46-1-21 or IC 20-46-1-22.**

(C) The referendum tax levy described in clause (A) is approved by the voters.

(D) The school corporation distributes the amounts described in clause (B) to each charter school described in clause (A).

(E) If the school corporation receives revenue from a school safety referendum tax levy under IC 20-46-9, the school corporation shares the revenue from the school safety referendum tax levy with each charter school that:

(i) a student who resides within the attendance area of the school corporation attends; and

(ii) elects to participate in the referendum;

in an amount equal to the amount determined applying the formula under IC 20-46-9-22(d).

(c) In order for any payment to a charter school to qualify as sharing of proceeds from a referendum for purposes of exemption from IC 20-26-7.1, the referendum must have been passed with prior notice to voters of all amounts of referendum proceeds to be paid to charter schools. Any claim of exemption based on payment of proceeds from a referendum passed without such notice is void.

SECTION 214. IC 20-40-2-2, AS AMENDED BY P.L.201-2023, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) The governing body of each school corporation shall establish an education fund for the payment of expenses that are allocated to student instruction and learning under IC 20-42.5.

(b) The governing body of a charter school that receives a distribution of revenue received from a tax levy under IC 20-46-8-11.2 **or IC 20-46-8-12** shall establish an education fund for the payment of expenses that are allocated to student instruction and learning under IC 20-42.5.

SECTION 215. IC 20-40-3-5, AS AMENDED BY P.L.189-2023, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 5. ~~(a)~~ Money in the fund may be used for any

lawful school expenses, including making a transfer to the school corporation's education fund (IC 20-40-2) or operations fund (IC 20-40-18).

~~(b) Except as provided in IC 20-46-1-21, a school corporation may distribute proceeds of a tax levy collected under IC 20-46-1 that is transferred to the school corporation's education fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation.~~

SECTION 216. IC 20-40-18-1, AS AMENDED BY P.L.201-2023, SECTION 185, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) The governing body of each school corporation shall create an operations fund to be used by the school corporation after December 31, 2018.

(b) The governing body of each charter school that receives a distribution of revenue received from a tax levy under IC 20-46-8-11.2 **or IC 20-46-8-12** shall create an operations fund to be used by the charter school after December 31, 2024.

SECTION 217. IC 20-40-18-2, AS AMENDED BY P.L.201-2023, SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. (a) The operations fund shall be used to deposit the following after December 31, 2018, in the case of a school corporation:

(1) Revenue from the school corporation's operations fund property tax levy under IC 20-46-8.

(2) The sum of the following excise tax revenue received for deposit in the fund in the calendar year in which the school year begins:

(A) Financial institutions excise tax (IC 6-5.5).

(B) Motor vehicle excise taxes (IC 6-6-5).

(C) Commercial vehicle excise taxes (IC 6-6-5.5).

(D) Boat excise tax (IC 6-6-11).

(E) Aircraft license excise tax (IC 6-6-6.5).

(3) Transfers from the education fund (IC 20-40-2) or the operating referendum tax levy fund (IC 20-40-3), if any.

(4) Allocations of local income taxes to the school corporation under IC 6-3.6-6, if any.

(b) **In the case of a charter school,** the operations fund shall be used to deposit amounts distributed to the charter school under IC 20-46-8-11.2 **or IC 20-46-8-12** after December 31, 2024.

SECTION 218. IC 20-40-18-10.5, AS ADDED BY P.L.201-2023, SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10.5. (a) This section applies only

to eligible charter schools that receive amounts distributed under IC 20-46-8-11.2 **or IC 20-46-8-12.**

(b) For purposes of this section, "charter board" means the governing body of the organizer (as defined in IC 20-24-1-7) of an eligible charter school.

(c) The operations fund may be used only to do the following:

(1) Carry out a capital projects plan under the following conditions:

(A) The plan must include all proposed expenditures that exceed ten thousand dollars ($10,000) and are for:

(i) capital assets; or

(ii) projects that are considered capital in nature, including technology related projects.

(B) If a charter school wants to use money in the operations fund during the year to pay for any items listed in clause (E) that are considered capital in nature, the charter board must approve a plan following a public hearing. The charter school shall post the proposed plan or proposed amended plan on the charter school's website before the hearing. The charter school shall submit the proposed capital projects plan to the department of local government finance's computer gateway at least ten (10) days before the public hearing. The department of local government finance shall make the proposed plan available at least ten (10) days before the hearing, through the department's computer gateway. If an amendment to a capital projects plan is proposed, the charter board must declare the nature of and need for the amendment in the plan amendment.

(C) If a charter board adopts a plan under clause (B), the charter school must then submit the plan to the department of local government finance for inclusion on the department's computer gateway not later than thirty (30) days after adoption of the plan. The department of local government finance shall immediately make the proposed plan available through the gateway website.

(D) This clause applies to an amendment to a plan that is required because of an emergency that results in costs that exceed the amount accumulated in the fund for repair, replacement, or site acquisition that is necessitated by an emergency. The charter board is not required to comply with clause (C). If the charter board determines that an emergency exists, the governing body may adopt an amendment to the

plan. An amendment to a plan is not subject to the deadline and procedures for adoption of a plan described in this subdivision.

(E) This clause sets forth an exclusive list of the expenditures that may be made from the operations fund under clause (B), as set forth in the charter board's plan or amended plan. Subject to the expenditures that are identified in the charter school's plan or amended plan, the operations fund shall be used for the following:

(i) Site acquisition.

(ii) Site development.

(iii) Building acquisition, construction, replacement, renovation, remodeling, improvement, and maintenance, including building materials and employment services.

(iv) Rental of real estate, buildings, facilities, and equipment.

(v) To repair and replace buildings and to repair and replace building fixtures that are owned or leased by the charter school and of a type constituting loss capable of being covered by casualty insurance.

(vi) Purchase, lease, repair, or maintenance of equipment, including maintenance vehicles to be used by the charter school. However, the fund may not be used to pay for the purchase, lease, repair, or maintenance of vehicles that are not maintenance vehicles, or equipment to be used primarily for interscholastic or extracurricular activities.

(vii) Service contracts for janitorial and custodial services, maintenance services, snow and ice removal services, trash removal services, mowing and lawn care services, pest control services, and any other routine services normally required in the maintenance or upkeep of charter school facilities.

(viii) Repair, replacement, or site acquisition that is necessitated by an emergency.

(ix) Construction, repair, replacement, remodeling, or maintenance of a school sports facility.

(x) Utilities.

(xi) Property and casualty insurance.

(xii) Purchase, lease, upgrade, maintenance, or repair technology that will not be allocated to student instruction and learning, to include computer hardware, computer software, wiring and computer networks, and

communication access systems used to connect with computer networks or electronic gateways; services of full-time or part-time computer maintenance employees; conducting nonrecurring inservice technology training of school employees; implementing the technology preparation curriculum; participating in a program to provide educational technologies, including computers in the homes of students (commonly referred to as "the buddy system project") under IC 20-20-13-6, the 4R's technology program, or any other program under the educational technology program described in IC 20-20-13; and obtaining any combination of equipment or services in the preceding two (2) categories of this item.

(xiii) Services of charter school employees who perform services considered to be a skilled trade by the United States Department of Labor, Employment and Training Administration. For purposes of this item, skilled trade services do not include janitorial or comparable routine services normally provided in the daily operation of school facilities or equipment. Payment may be made for employee services only if the employees perform construction of, renovation of, remodeling of, repair of, or maintenance on the facilities and equipment of the charter school.

(2) Pay transportation costs under the following conditions:

(A) A charter school shall use the operations fund to pay the transportation costs attributable to transportation of school children as specified in clause (B).

(B) Only the following costs are payable from the fund:

(i) Salaries paid to bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees.

(ii) Contracted transportation services.

(iii) Wages of independent contractors.

(iv) Contracts with common carriers.

(v) Student fares.

(vi) Transportation related insurance.

(vii) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires, repairs, contracted repairs, parts, supplies, equipment, and other related expenses.

(C) Percentages or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts

of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this clause (other than instructional aide costs) may not be budgeted for payment or paid from the fund.

(D) Costs for a calendar year are those costs attributable to transportation for students during the school year ending in the calendar year.

(3) Carry out a school bus replacement plan approved by the charter school board under the following conditions:

(A) Before a charter school may use money in the operations fund for replacing school buses, a resolution approving the school bus replacement plan or amended plan must be submitted to the department of local government finance.

(B) The department of local government finance shall prescribe the format of the plan. A plan must apply to at least the five (5) budget years immediately following the year the plan is adopted and include at least an estimate for each year to which it applies of the nature and amount of proposed expenditures from the fund, and if the school corporation is seeking to acquire or contract for transportation services that will provide additional school buses or school buses with a larger seating capacity as compared with the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. However, the evidence requirement regarding a contract for transportation services does not apply if contracted transportation services are not paid from the fund.

(C) If the charter school is seeking to require a contractor to replace a school bus, evidence that the need exists for the replacement of the school bus. This clause does not apply if contracted transportation services are not paid from the operations fund.

(D) Evidence that the charter school that seeks to acquire additional school buses under this subdivision is acquiring or contracting for the school buses only for the purposes specified in clause (B) or for replacement purposes.

(E) If a charter school wants to use money in the operations fund during the year to pay for school bus replacement, the governing body must adopt a resolution approving the bus replacement plan or amended plan. The charter school shall post the proposed plan or proposed amended plan on the



charter school's website before the hearing. The governing body must hold a hearing on the adoption of the plan. The charter school shall submit the proposed school bus replacement plan or amended plan to the department of local government finance's computer gateway at least ten (10) days before the hearing on the adoption of the plan. The department of local government finance shall make the proposed plan available to taxpayers, at least ten (10) days before the hearing, through the department's computer gateway. If an amendment to a bus replacement plan is being proposed, the charter school must declare the nature of and the need for the amendment in the resolution to adopt the amendment to the plan.

(4) Pay expenses that are allocated to overhead and operational expenditures.

(5) Establish, maintain, and equip a public playground.

SECTION 219. IC 20-46-1-8, AS AMENDED BY P.L.162-2024, SECTION 25, AND AS AMENDED BY P.L.36-2024, SECTION 10, AND AS AMENDED BY P.L.104-2024, SECTION 51, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8. (a) Subject to subsections ~~(c), (f), and (g)~~ **(b), (e), and (f)** and this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot for any of the following purposes:

(1) The governing body of the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter.

(2) The governing body of the school corporation determines that a referendum tax levy under this chapter should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the credit under IC 6-1.1-20.6.

~~(3) Except for resolutions described in subsection (b), the governing body makes the determination required under subdivision (1) or (2) and determines to share a portion of the referendum proceeds with a charter school, excluding a virtual charter school, in the manner prescribed in subsection (c).~~

(b) A resolution for a referendum ~~for a county~~ described in:

(1) section 21 of this chapter; ~~that is adopted after May 10, 2023,~~ **or**

(2) section 22 of this chapter;

shall specify that a portion of the proceeds collected from the proposed levy will be distributed to applicable charter schools in the manner described under ~~section 21 of~~ this chapter.

(c) The governing body of the school corporation shall certify a copy of the resolution to place a referendum on the ballot to the following:

(1) The department of local government finance, including:

(A) the language for the question required by section 10 of this chapter, or in the case of a resolution to extend a referendum levy certified to the department of local government finance after March 15, 2016, section 10.1 of this chapter; and

(B) a copy of the revenue spending plan adopted under subsection ~~(g).~~ **(f).**

~~The language of the public question must include the estimated average percentage increases certified by the county auditor under section 10(c) or 10.1(f) of this chapter, as applicable.~~ The governing body of the school corporation shall also provide the county auditor's certification described in section 10(e) or 10.1(f) of this chapter, as applicable. The department of local government finance shall post the values certified by the county auditor to the department's website. The department shall review the language for compliance with section 10 or 10.1 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after ~~*both the certification of the county auditor described in section 10(e) or 10.1(f) of this chapter, as applicable, and*~~ the resolution *is* ~~*are*~~ submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

(2) The county fiscal body of each county in which the school corporation is located (for informational purposes only).

(3) The circuit court clerk of each county in which the school corporation is located.

(d) If a school safety referendum tax levy under IC 20-46-9 has been approved by the voters in a school corporation at any time in the previous three (3) years, the school corporation may not:

(1) adopt a resolution to place a referendum under this chapter on the ballot; or

(2) otherwise place a referendum under this chapter on the ballot.

~~(e) Except as provided in section 21 of this chapter, the resolution~~

~~described in subsection (a) must indicate whether proceeds in the school corporation's education fund collected from a tax levy under this chapter will be used to provide a distribution to a charter school or charter schools, excluding a virtual charter school, under IC 20-40-3-5 as well as the amount that will be distributed to the particular charter school or charter schools. A school corporation may request from the designated charter school or charter schools any financial documentation necessary to demonstrate the financial need of the charter school or charter schools. *Distribution to a charter school of proceeds from a referendum held before May 10, 2023, does not provide exemption from this chapter.*~~

~~(f) This subsection applies to a resolution described in subsection (a) for a county described in section 21(a) of this chapter that is adopted after May 10, 2023. The resolution described in subsection (a) shall include a projection of the amount that the school corporation expects to be distributed to a particular charter school, excluding virtual charter schools or adult high schools, under section 21 of this chapter if the charter school voluntarily elects to participate in the referendum in the manner described in subsection (i). At least sixty (60) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact the department to determine the number of students in kindergarten through grade 12 who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools, and who receive not more than fifty percent (50%) virtual instruction. The department shall provide the school corporation with the number of students with legal settlement in the school corporation who attend a charter school, and who receive not more than fifty percent (50%) virtual instruction, which shall be disaggregated for each particular charter school, excluding a virtual charter school or adult high school. The projection may include an expected increase in charter schools during the term the levy is imposed under this chapter. The department of local government finance shall prescribe the manner in which the projection shall be calculated. The governing body shall take into consideration the projection when adopting the revenue spending plan under subsection (g).~~

(e) This subsection applies to a resolution described in section 21 or 22 of this chapter. Not later than sixty (60) days before the resolution is voted on by the governing body, the school corporation shall contact the department to determine the following:

(1) In the case of a resolution described in section 22 of this

chapter, whether the school corporation is exempt from revenue sharing requirements under section 22(a)(2) of this chapter. If the school corporation is determined to be exempt, the department shall notify the school corporation, and the school corporation is not required to contact charter schools concerning participation under subsection (h), shall exclude distributions to charter schools under section 22 of this chapter, and shall exclude charter schools from the projection described in this subsection.

(2) If the school corporation is not determined to be exempt from revenue sharing requirements under subdivision (1), the number of students in kindergarten through grade 12 who:

(A) have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools; and

(B) receive not more than fifty percent (50%) virtual instruction.

Not later than ten (10) days after receiving the request, the department shall provide the school corporation with the requested information, which shall be disaggregated for each particular charter school. Subject to subsection (h), the resolution shall include a projection of the amount that the school corporation expects, based on the information provided by the department under this subsection, to be distributed to a particular charter school under section 21 or 22 of this chapter.

~~(g)~~ **(f)** As part of the resolution described in subsection (a), the governing body of the school corporation shall adopt a revenue spending plan for the proposed referendum tax levy that includes:

(1) an estimate of the amount of annual revenue expected to be collected if a levy is imposed under this chapter;

(2) the specific purposes for which the revenue collected from a levy imposed under this chapter will be used;

(3) an estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (2); and

(4) for a resolution for a referendum that is ~~adopted after May 10, 2023, for a county~~ described in ~~section 21(a)~~ **section 21 or 22** of this chapter, the projected revenue that shall be distributed to charter schools. ~~as provided in subsections (f) and (i).~~ The revenue spending plan shall also take into consideration deviations in the proposed revenue spending plan if the actual charter school distributions exceed or are lower than the projected charter school distributions described in subsection ~~(f).~~ **(e).** The

resolution shall include for each charter school that elects to participate under subsection ~~(i)~~ **(h)** information described in subdivisions (1) through (3).

~~(h)~~ **(g)** A school corporation shall specify in its proposed budget the school corporation's revenue spending plan adopted under subsection ~~(g)~~ **(f)** and annually present the revenue spending plan at its public hearing on the proposed budget under IC 6-1.1-17-3.

~~(i) This subsection applies to a resolution described in subsection (a) for a county described in section 21(a) of this chapter that is adopted after May 10, 2023. At least forty-five (45) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact each charter school, excluding virtual charter schools or adult high schools, disclosed by the department to the school corporation under subsection (f) to determine whether the charter school will participate in the referendum. *The notice must include the total amount of the school corporation's expected need, the corresponding estimate for that amount divided by the number of students enrolled in the school corporation, and the date on which the governing body of the school corporation will vote on the resolution.* The charter school must respond in writing to the school corporation, *which may be by electronic mail addressed to the superintendent of the school corporation,* at least fifteen (15) days prior to the date that the resolution described in subsection (a) is to be voted on by the governing body. If the charter school elects to not participate in the referendum, the school corporation may exclude distributions to the charter school under section 21 of this chapter and from the projection described in subsection (f). If the charter school elects to participate in the referendum, the charter school may receive distributions under section 21 of this chapter and must be included in the projection described in subsection (f). In addition, a charter school that elects to participate in the referendum under this subsection shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.~~

(h) This subsection applies to a resolution described in section 21 or 22 of this chapter. Except as provided in subsection (e), not later than forty-five (45) days before the resolution is voted on by the governing body, the school corporation shall contact each charter school disclosed by the department to the school corporation under subsection (e) to determine whether the charter school will:

(1) in the case of a resolution described in section 21 of this

chapter, elect to participate; or

(2) in the case of a resolution described in section 22 of this chapter, elect to not participate;

in the referendum. The notice must include the total amount of the school corporation's expected need, the corresponding estimate for that amount divided by the number of students enrolled in the school corporation, and the date on which the governing body of the school corporation will vote on the resolution. Not later than thirty (30) days prior to the date that the resolution is to be voted on by the governing body, the charter school must respond in writing to the school corporation and to the department, which may be by electronic mail, and, in the case of the school corporation, addressed to the superintendent of the school corporation. A charter school that elects to not participate in the referendum may not subsequently change that election during the term of the referendum.

(i) If a charter school will not participate in the referendum, the school corporation shall exclude distributions to the charter school under this chapter and from the projection described in subsection (e). If a charter school will participate in the referendum, the charter school:

(1) must be included in the projection described in subsection (e); and

(2) shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.

(j) This subsection applies to a resolution described in ~~subsection (a) for a county described in section 21(a)~~ **section 21 or 22** of this chapter. ~~that is adopted after May 10, 2023.~~ At least thirty (30) days before the ~~*resolution described in subsection (a)*~~ *referendum submitted to the voters under this chapter* is voted on by the ~~*governing body,*~~ *public in a ~~primary or~~ general election,* the school corporation that is pursuing the ~~*resolution*~~ *referendum* and any charter school that ~~has elected to~~ **will** participate under subsection ~~(i)~~ **(h)** shall post a referendum disclosure statement on each school's respective website that contains the following information:

(1) The salaries ~~*of all employees employed*~~ by *position within* the school corporation or charter school listed from highest salary to lowest salary *and a link to Gateway Indiana for access to individual salaries.*

(2) An acknowledgment that the school corporation or charter school is not committing any crime described in IC 35-44.1-1.

(3) A link to the school corporation's or charter school's most recent state board of accounts audit on the state board of accounts' website.

(4) The current enrollment of the school corporation or charter school disaggregated by student group and race.

(5) The school corporation's or charter school's high school graduation rate.

(6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years.

(k) Not later than July 15, 2025, the department of education shall prescribe the manner in which a projection described in subsection (e) shall be calculated.

(l) A charter school that begins operations after a resolution under this section or section 8.5 of this chapter is voted on by the governing body for a particular referendum may not receive an option to elect to participate in that referendum during the term of that referendum.

SECTION 220. IC 20-46-1-8.5, AS AMENDED BY P.L.189-2023, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8.5. (a) A resolution to extend a referendum levy must be:

(1) adopted by the governing body of a school corporation; and

(2) approved in a referendum under this chapter;

before December 31 of the final calendar year in which the school corporation's previously approved referendum levy is imposed under this chapter.

(b) For a resolution **described in section 21 or 22 of this chapter that is** adopted under this section, ~~after May 10, 2023, for a county described in section 21(a) of this chapter,~~ the resolution must include the projected charter school distributions described in section ~~8(f)~~ **8(e)** of this chapter and indicate the distributions to applicable charter schools in accordance with ~~section 21 of~~ this chapter.

SECTION 221. IC 20-46-1-10, AS AMENDED BY P.L.189-2023, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10. (a) This section does not apply to a referendum on a resolution certified to the department of local government finance after March 15, 2016, to extend a referendum levy.

(b) The question to be submitted to the voters in the referendum must read as follows:

~~"Shall the school corporation increase property taxes paid to schools by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the~~

~~referendum for the purpose of funding _____ (insert short description of purposes)? If this public question is approved by the voters, the average property tax paid to schools per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to schools on a residence within the school corporation as determined under subsection (c)) and the average property tax paid to schools per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to schools on a business property within the school corporation as determined under subsection (d)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed).".~~

"Shall _____ (insert the name of the school corporation) increase property taxes paid to the school corporation for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding _____ (insert a brief description of the purposes) by imposing a property tax rate that does not exceed _____ (insert property tax rate) and results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy). If this operating referendum public question is approved by the voters, for a median residence of _____ (insert the school corporation's median household assessed value, rounded up to the next fifty thousand dollars ($50,000)), the property's annual property tax bill would increase by _____ (insert dollar amount, rounded up to the next whole dollar) per year. (If, in the previous five (5) years, the school corporation has conducted an operating referendum public question, the following shall also be included in the ballot language.) The most recent operating referendum public question proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed).".

~~(c) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to schools that must be included in the public question under subsection (b) as follows:~~

~~STEP ONE: Determine the average assessed value of a homestead~~

~~located within the school corporation.~~

~~STEP TWO: For purposes of determining the net assessed value of the average homestead located within the school corporation, subtract:~~

~~(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and~~

~~(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;~~

~~from the result of STEP ONE.~~

~~STEP THREE: Divide the result of STEP TWO by one hundred (100).~~

~~STEP FOUR: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.~~

~~STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the school corporation:~~

~~(A) multiply the result of STEP THREE by the result of STEP FOUR; and~~

~~(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).~~

~~STEP SIX: Determine the amount of the school corporation's part of the result determined in STEP FIVE.~~

~~STEP SEVEN: Multiply:~~

~~(A) the tax rate that will be imposed if the public question is approved by the voters; by~~

~~(B) the result of STEP THREE.~~

~~STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP SIX, expressed as a percentage.~~

~~(d) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a business property to be paid to schools that must be included in the public question under subsection (b) as follows:~~

~~STEP ONE: Determine the average assessed value of business property located within the school corporation.~~

~~STEP TWO: Divide the result of STEP ONE by one hundred (100).~~

~~STEP THREE: Determine the overall average tax rate per one~~

~~hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.~~

~~STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:~~

~~(A) multiply the result of STEP TWO by the result of STEP THREE; and~~

~~(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).~~

~~STEP FIVE: Determine the amount of the school corporation's part of the result determined in STEP FOUR.~~

~~STEP SIX: Multiply:~~

~~(A) the result of STEP TWO; by~~

~~(B) the tax rate that will be imposed if the public question is approved by the voters.~~

~~STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.~~

~~(c) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to schools determined under subsection (c), and the estimated average percentage of property tax increase on a business property to be paid to schools determined under subsection (d), in a manner prescribed by the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.~~

SECTION 222. IC 20-46-1-10.1, AS AMENDED BY P.L.236-2023, SECTION 154, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 10.1. (a) This section applies only to a referendum to allow a school corporation to extend a referendum levy.

(b) The question to be submitted to the voters in the referendum must read as follows:

~~"Shall the school corporation continue to impose increased property taxes paid to the school corporation by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? The property tax increase requested in this referendum was originally approved by the voters in _____ (insert the year in which the referendum tax levy was approved) and if extended will increase~~

~~the average property tax paid to the school corporation per year on a residence within the school corporation by _____% (insert the estimated average percentage of property tax increase on a residence within the school corporation) and if extended will increase the average property tax paid to the school corporation per year on a business property within the school corporation by _____% (insert the estimated average percentage of property tax increase on a business within the school corporation).".~~

"Shall _____ (insert the name of the school corporation) continue to increase property taxes paid to the school corporation for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding _____ (insert brief description of the purposes) by imposing a property tax rate that does not exceed _____ (insert property tax rate) and results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy). If this operating referendum public question is NOT approved by the voters, for a median residence of _____ (insert the school corporation's median household assessed value, rounded up to the next fifty thousand dollars ($50,000)), the property's annual tax bill would decrease by _____ (insert dollar amount, rounded up to the next whole dollar) per year. If this operating referendum public question is approved by the voters, it would be a renewal of the most recent operating referendum public question passed in _____ (insert year the original operating referendum public question passed) with a property tax rate of _____ (insert property tax rate of the original operating referendum public question).".

(c) The number of years for which a referendum tax levy may be extended if the public question under this section is approved may not exceed eight (8) years.

~~(d) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the school corporation that must be included in the public question under subsection (b) as follows:~~

~~STEP ONE: Determine the average assessed value of a homestead located within the school corporation.~~

~~STEP TWO: For purposes of determining the net assessed value of the average homestead located within the school corporation,~~

subtract:

(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and

(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the school corporation:

(A) multiply the result of STEP THREE by the result of STEP FOUR; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the school corporation's part of the result determined in STEP FIVE.

STEP SEVEN: Multiply:

(A) the tax rate that will be imposed if the public question is approved by the voters; by

(B) the result of STEP THREE.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP SIX, expressed as a percentage.

(c) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the school corporation that must be included in the public question under subsection (b) as follows:

STEP ONE: Determine the average assessed value of business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FOUR: For purposes of determining net property tax

~~liability of the average business property located within the school corporation:~~

~~(A) multiply the result of STEP TWO by the result of STEP THREE; and~~

~~(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).~~

~~STEP FIVE: Determine the amount of the school corporation's part of the result determined in STEP FOUR.~~

~~STEP SIX: Multiply:~~

~~(A) the result of STEP TWO; by~~

~~(B) the tax rate that will be imposed if the public question is approved by the voters.~~

~~STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.~~

~~(f) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the school corporation determined under subsection (d), and the estimated average percentage of property tax increase on a business property to be paid to the school corporation determined under subsection (e), in a manner prescribed by the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.~~

SECTION 223. IC 20-46-1-10.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 10.3. Each year, the county auditor, with cooperation from the department of local government finance, shall determine the tax rate needed to raise the maximum amount of the annual levy for the year as described under section 10 or 10.1 of this chapter, as applicable, and shall determine all other information needed for the ballot language in those sections.**

SECTION 224. IC 20-46-1-14, AS AMENDED BY P.L.227-2023, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 14. ~~(a)~~ The referendum shall be held in the next ~~primary election~~ general election, ~~or municipal election~~ **as provided under IC 3-10-9-3(b),** in which all the registered voters who are residents of the appellant school corporation are entitled to vote after certification of the question. ~~under IC 3-10-9-3.~~ The certification of the question must occur not later than noon

~~(1) seventy-four (74) days before a primary election if the~~

~~question is to be placed on the primary or municipal primary election ballot; or~~

~~(2)~~ August 1. ~~if the question is to be placed on the general or municipal election ballot.~~

~~(b) However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this chapter and if the appellant school corporation requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon:~~

~~(1) seventy-four (74) days before a special election to be held in May (if the special election is to be held in May); or~~

~~(2) on August 1 (if the special election is to be held in November).~~

~~(c) If the referendum is not conducted at a primary election, general election, or municipal election, the appellant school corporation in which the referendum is to be held shall pay all the costs of holding the referendum.~~

SECTION 225. IC 20-46-1-21, AS ADDED BY P.L.189-2023, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 21. (a) This section:

(1) except as provided in subdivision (2), applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 8 or 8.5 of this chapter after May 10, 2023, for a school corporation located in:

~~(1)~~ **(A)** Lake County;

~~(2)~~ **(B)** Marion County;

~~(3)~~ **(C)** St. Joseph County; or

~~(4)~~ **(D)** Vanderburgh County;

through the full term of the referendum levy; and

(2) does not apply to revenue received from a referendum levy if:

(A) the governing body of the school corporation approves the referendum levy in a resolution adopted under section 8 or 8.5 of this chapter; and

(B) the referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.

(b) **Subject to subsections (f) and (h),** the county auditor in **the county in** which the school corporation is located shall distribute an

amount **of revenue as provided** under subsection ~~(d)~~ **(e) from the revenue collected from a tax levy imposed under this chapter by a school corporation that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a)(1)** to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school elects to participate in the referendum under section ~~8(i)~~ **8(h)** of this chapter.

(c) The department shall provide the county auditor with data and information necessary for the county auditor to determine:

(1) which charter schools are eligible to receive a distribution under this section; and

(2) the number of students who:

(A) reside within the attendance area of the school corporation who are included in the ADM for each charter school, excluding virtual charter schools or adult high schools, described in subdivision (1); **and**

(B) receive not more than fifty percent (50%) virtual instruction.

~~(c)~~ **(d)** The following schools are not eligible to receive a distribution under this section:

(1) A virtual charter school.

(2) An adult high school.

~~(d)~~ **(e)** For the purposes of the calculations made in this subsection, each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.

STEP TWO: Determine the sum of:

(A) the current ADM count for the school corporation; plus

(B) total number of all students who reside within the attendance area of the school corporation who are currently included in the ADM of a charter school, excluding virtual

charter schools or adult high schools.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the **sum of:**

(i) the STEP THREE amount; **plus**

(ii) any amount withheld in the previous year under subsection (i); multiplied by

(B) the amount collected by the county auditor during the most recent installment period **that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a).**

(f) A charter school is not eligible for a distribution under this section from property tax revenue collected from a particular referendum levy if the charter school begins operations after the date on which the resolution is approved by the governing body to impose the referendum levy.

(g) Not later than August 15, 2025, and not later than August 15 of each calendar year thereafter, the department shall provide to each school corporation and eligible charter school an estimate of the amount of property tax levy revenue the school corporation and charter school are expected to receive under this section in the subsequent calendar year based on the most recent spring ADM count.

(h) This subsection applies beginning with distributions of property tax revenue under this section in 2026 and thereafter. In order to receive a distribution under this section, the governing body of a charter school shall, not later than October 15, 2025, and not later than October 15 of each calendar year thereafter, adopt a budget for the ensuing school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the charter school is incorporated. Not later than November 1, 2025, and not later than November 1 of each calendar year thereafter, the governing body of the charter school shall submit:

(1) the budget that is adopted under this subsection;

(2) the dates on which each requirement under this subsection were met; and

(3) a statement from the governing body of the charter school attesting that the dates provided in subdivision (2) are true and accurate and that the budget was properly adopted under

this subsection;

to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3.

(i) If a charter school does not satisfy the requirements of subsection (h) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (h). Any distribution amount withheld under this subsection shall be:

(1) added to the property tax revenue collections as described in STEP TWO of subsection (e); and

(2) distributed among the school corporation and remaining charter schools according to subsection (e);

in the calendar year that immediately follows the calendar year in which the distribution amount was withheld.

SECTION 226. IC 20-46-1-22 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 22. (a) This section applies to revenue received from a referendum levy if both of the following apply:**

(1) The:

(A) governing body of the school corporation approves the referendum levy in a resolution adopted under section 8 or 8.5 of this chapter; and

(B) resulting referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.

(2) The number of students who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools and adult high schools, and receive not more than fifty percent (50%) virtual instruction is at least the greater of:

(A) one hundred (100) students; or

(B) two percent (2%) of the school corporation's spring ADM count, excluding students who receive more than fifty percent (50%) virtual instruction.

(b) As used in this section, "eligible charter school" means a charter school attended by a student who:

(1) has legal settlement in a school corporation that imposes a referendum levy under this chapter; and

(2) receives not more than fifty percent (50%) virtual instruction.

However, the term does not include a virtual charter school or an adult high school.

(c) The following schools are not eligible to receive, and may not be considered in a calculation made for purposes of, a distribution under this section:

(1) A virtual charter school.

(2) An adult high school.

(d) Subject to subsections (j) and (l), the county auditor in the county in which the school corporation is located shall distribute to each eligible charter school, in the manner provided under this section, an amount of revenue received from a tax levy imposed by a school corporation under this chapter unless the charter school elects to not participate in the referendum under section 8(h) of this chapter.

(e) For the purposes of the calculations made in this section, each eligible charter school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation.

(f) Not later than January 1, 2028, and not later than January 1 of each year thereafter, the department, in consultation with the department of local government finance, shall determine, for each school corporation, the corresponding percentages of revenue received from the tax levy that must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine, for each eligible charter school, the number of students who:

(A) have legal settlement within the school corporation;

(B) are currently included in the fall ADM count for the charter school; and

(C) receive not more than fifty percent (50%) virtual instruction.

STEP TWO: Determine the sum of:

(A) the aggregate of the STEP ONE results for all eligible

charter schools with respect to the school corporation; plus

(B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP THREE: For each eligible charter school, determine the result of:

(A) the applicable STEP ONE amount; divided by

(B) the STEP TWO amount;

expressed as a percentage.

STEP FOUR: Determine the sum of all the amounts computed under STEP THREE and subtract the result from one hundred percent (100%).

(g) The department shall provide to the county auditor, immediately after calculation under subsection (g):

(1) each eligible charter school and the eligible charter school's corresponding percentage calculated under STEP THREE of subsection (f); and

(2) the percentage calculated under STEP FOUR of subsection (f) for the school corporation.

(h) Subject to subsections (k) and (m), when the county auditor distributes property tax revenue, the county auditor shall distribute to the school corporation and each eligible charter school the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the amount collected in the most recent installment period by the school corporation from the school corporation's referendum levy imposed under this chapter.

STEP TWO: To determine the distribution for the school corporation and each eligible charter school, determine the result of:

(A) the sum of:

(i) the STEP ONE result; plus

(ii) any amount withheld in the previous year under subsection (k); multiplied by

(B) the following percentage:

(i) In the case of an eligible charter school, the charter school's percentage under STEP THREE of subsection (f).

(ii) In the case of the school corporation, the school corporation's percentage under STEP FOUR of subsection (f).

(i) Not later than August 15, 2027, and not later than August 15 of each calendar year thereafter, the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and eligible charter school are expected to receive under this section in the subsequent calendar year based on the most recent spring ADM count.

(j) This subsection applies beginning with distributions of property tax revenue under this section in 2028 and thereafter. In order to receive a distribution under this section, the governing body of an eligible charter school shall, not later than October 15, 2027, and not later than October 15 of each calendar year thereafter, adopt a budget for the ensuing school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the eligible charter school is incorporated. Not later than November 1, 2027, and not later than November 1 of each calendar year thereafter, the governing body of the charter school shall submit:

(1) the budget that is adopted under this subsection;

(2) the dates on which each requirement under this subsection were met; and

(3) a statement from the governing body of the charter school attesting that the dates provided in subdivision (2) are true and accurate and that the budget was properly adopted under this subsection;

to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3.

(k) If an eligible charter school does not satisfy the requirements of subsection (j) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the eligible charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the eligible charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (j). Any distribution amount withheld under this subsection shall be:

(1) added to the property tax revenue collections as described in STEP TWO of subsection (h); and

(2) distributed among the school corporation and eligible charter schools according to subsection (h);

in the calendar year that immediately follows the calendar year in which the distribution amount was withheld.

(l) A charter school is not eligible for a distribution under this section from property tax revenue collected from a particular referendum levy if the charter school begins operations after the date on which the resolution is approved by the governing body to impose the referendum levy.

SECTION 227. IC 20-46-8-1, AS AMENDED BY P.L.104-2022, SECTION 129, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 1. (a) A school corporation may impose an annual property tax levy for its operations fund.

(b) For property taxes first due and payable in 2019, the maximum permissible property tax levy a school corporation may impose for its operations fund (IC 20-40-18) is the following:

STEP ONE: Determine the sum of the following:

(A) The 2018 maximum permissible transportation levy determined under IC 20-46-4 (repealed January 1, 2019).

(B) The 2018 maximum permissible school bus replacement levy determined under IC 20-46-5 (repealed January 1, 2019).

(C) The 2018 amount that would be raised from a capital projects fund tax rate equal to the sum of:

(i) the maximum capital projects fund rate that the school corporation was authorized to impose for 2018 under IC 20-46-6 (repealed January 1, 2019), after any adjustment under IC 6-1.1-18-12 (but excluding any rate imposed for qualified utility and insurance costs); plus

(ii) the capital projects fund rate imposed for qualified utility and insurance costs in 2018.

(D) For school corporations described in IC 36-10-13-7, the 2018 levy as provided in section 6 of this chapter (repealed January 1, 2019) to provide funding for an art association.

(E) For a school corporation in a county having a population of more than two hundred fifty thousand (250,000) and less than three hundred thousand (300,000), the 2018 levy as provided in section 7 of this chapter (repealed January 1, 2019) to provide funding for a historical society.

(F) For a school corporation described in IC 36-10-14-1, the 2018 levy as provided in section 8 of this chapter (repealed January 1, 2019) to provide funding for a public playground.

STEP TWO: Determine the product of:

(A) The amount determined in STEP ONE, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to each of these levies for 2018 (regardless of whether the school corporation imposed the entire amount of that maximum permissible levy for the previous year); multiplied by

(B) the maximum levy growth quotient determined under IC 6-1.1-18.5-2.

STEP THREE: Determine the result of the following:

(A) Determine the sum of:

(i) the amount determined in STEP TWO; plus

(ii) the amount granted due to an appeal to increase the levy for transportation for 2019.

(B) Make the school bus replacement adjustment for 2019.

(c) After 2019, the maximum permissible property tax levy a school corporation may impose for its operations fund for a particular year is the following:

STEP ONE: Determine the product of:

(A) the maximum permissible property tax levy for the school corporation's operations fund for the previous year, after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the previous year (regardless of whether the school corporation imposed the entire amount of the maximum permissible levy for the previous year); multiplied by

(B) the maximum levy growth quotient determined under IC 6-1.1-18.5-2.

STEP TWO: Determine the result of the following:

(A) Determine the sum of:

(i) the amount determined in STEP ONE; plus

(ii) the amount granted due to an appeal to increase the maximum permissible operations fund levy for the year under section 3 of this chapter for transportation **(before its expiration).**

(B) Make the school bus replacement adjustment permitted by section 3 of this chapter.

SECTION 228. IC 20-46-8-3, AS AMENDED BY P.L.156-2024, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 3. (a) **This section applies to property tax levies imposed before January 1, 2026.**

(b) Subject to subsection ~~(b),~~ **(c),** a school corporation may appeal to the department of local government finance under IC 6-1.1-19 to

increase the school corporation's maximum permissible operations fund levy. The appeal must be filed with the department of local government finance before October 20 of the year before the increase is proposed to take effect. To be granted an increase by the department of local government finance, the school corporation must establish that the increase is necessary because of either or both of the following:

(1) A cost increase of at least ten percent (10%) over the preceding year for at least one (1) of the following:

(A) A fuel expense increase.

(B) A cost increase due to an increase in the number of students enrolled in the school corporation who need transportation or an increase in the mileage traveled by the school corporation's buses compared with the previous year.

(C) A cost increase due to an increase in the number of students enrolled in special education who need transportation or an increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared with the previous year.

(D) Increased transportation operating costs due to compliance with a court ordered desegregation plan.

(E) A cost increase due to the closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

(F) A cost increase due to restructuring or redesigning transportation services due to a need for additional, expanded, consolidated, or modified routes.

(G) A labor cost increase due to a labor shortage affecting the school corporation's ability to hire qualified transportation employees.

To obtain the increase, the school corporation must establish that it will be unable to provide transportation services without an increase.

(2) A cost increase associated with the school corporation's bus replacement plan adopted or amended under IC 20-40-18-9 (after December 31, 2018). To obtain the increase, the school corporation must show that the school corporation must incur reasonable and necessary expenses to acquire additional buses under the plan.

The department of local government finance may grant a levy increase that is less than the increase requested by the school corporation. If the department of local government finance determines that a permanent

increase in the maximum permissible levy is necessary, the increase granted under this section shall be added to the school corporation's maximum permissible operations fund levy as provided in section 1 of this chapter.

~~(b)~~ **(c)** This subsection applies to a school corporation whose budget for the upcoming year is subject to review by a fiscal body under IC 6-1.1-17-20. A school corporation described in this subsection may not submit an appeal under this section unless the school corporation receives approval from the fiscal body to submit the appeal.

(d) This section expires December 31, 2026.

SECTION 229. IC 20-46-8-11.2, AS AMENDED BY P.L.36-2024, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 11.2. (a) This section applies only to revenue collected after June 30, 2024, **and before January 1, 2028,** from a tax levy imposed under this chapter by a school corporation located in:

(1) Lake County;

(2) Marion County;

(3) St. Joseph County; or

(4) Vanderburgh County.

However, this section does not apply to, and distributions are not required for, a school corporation that is designated as a distressed political subdivision under IC 6-1.1-20.3.

(b) ~~Beginning~~ In calendar year 2025, **2026, and 2027,** ~~and each year thereafter,~~ and subject to subsections (c), ~~and~~ (h), **and (i),** the county auditor shall distribute **to each charter school that is eligible for a distribution under subsection (d), and** as provided under subsection (f), an amount of revenue received from a tax levy imposed by a school corporation under this chapter ~~to each charter school that is eligible for a distribution under subsection (d) and as set forth in subsection (f).~~ **that is attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a).**

(c) The following schools are not eligible to receive a distribution under this section:

(1) A virtual charter school.

(2) An adult high school.

(d) Not later than ~~thirty (30) days before the date that the county auditor distributes money for a school corporation's operations fund (IC 20-40-18) under IC 6-1.1-27,~~ **March 1, 2025, January 1, 2026, and January 1, 2027,** the department, in consultation with the department of local government finance, shall determine the corresponding percentages of revenue received from the tax levy that

are attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a) and must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine each charter school that:

(A) is located in the same county as the school corporation; and

(B) provides not more than fifty percent (50%) virtual instruction for its students.

STEP TWO: Determine, for each charter school described in STEP ONE, the number of students who:

(A) have legal settlement within the school corporation;

(B) are currently included in the fall ADM for the charter school; and

(C) receive not more than fifty percent (50%) virtual instruction.

STEP THREE: Determine the sum of:

(A) the aggregate of the STEP TWO results for all applicable charter schools; plus

(B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP FOUR: For each charter school described in STEP ONE, determine the result of:

(A) the applicable STEP TWO amount; divided by

(B) the STEP THREE amount;

expressed as a percentage.

STEP FIVE: Determine the sum of all the amounts computed under STEP FOUR and subtract the result from one hundred percent (100%).

(e) The department shall provide to the county auditor, immediately after calculation under subsection (d): ~~and in the form prescribed by the county auditor:~~

(1) each charter school determined under STEP ONE of subsection (d) and the charter school's corresponding percentage calculated under STEP FOUR of subsection (d); and

(2) the percentage calculated under STEP FIVE of subsection (d) for the school corporation.

(f) **Subject to subsection (i),** the county auditor shall distribute to the school corporation and each applicable charter school the amount determined, **for each settlement period described in IC 6-1.1-27-1,** in the last STEP of the following STEPS:

STEP ONE: For each school corporation, determine a base

property tax levy amount calculated as:

(A) the sum of the school corporation's operations fund property tax levies **that are attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a) and** collected under this chapter **for the applicable settlement period as described in IC 6-1.1-27-1** in calendar years 2021, 2022, and 2023; divided by

(B) three (3).

STEP TWO: For each school corporation, determine an incremental property tax levy amount calculated as:

(A) the school corporation's operations fund property tax levy collections **that are attributable to the territory of the school corporation that is located within the boundaries of a county listed in subsection (a)** for **the applicable settlement period as described in IC 6-1.1-27-1 in** the current calendar year; minus

(B) the school corporation's base property tax levy collections determined **for the applicable settlement period as described in IC 6-1.1-27-1** under STEP ONE.

STEP THREE: For the school corporation and each applicable charter school, determine the result of:

(A) the **sum of:**

(i) the incremental amount determined under STEP TWO; **plus**

(ii) any distribution amount withheld under subsection (i); multiplied by

(B) the following percentage:

(i) In the case of an applicable charter school, the charter school's percentage under STEP FOUR of subsection (d).

(ii) In the case of the school corporation, the school corporation's percentage under STEP FIVE of subsection (d).

(g) Before ~~October 1, 2024, and before October 1 of each year thereafter,~~ **August 15, 2025, and August 15, 2026,** the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and charter school are expected to receive under this section **based on the most recent spring ADM count.**

(h) **This subsection applies to distributions of property tax revenue under this section in 2026 and 2027.** In order to receive a distribution under this section **in 2026 and 2027,** the governing body

of an eligible charter school shall, before ~~November 1, 2024, and before November 1 of each year thereafter,~~ **October 15, 2025, and October 15, 2026,** adopt a budget for the **ensuing** school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the charter school is incorporated. A budget that is adopted under this subsection must be submitted to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3 **not later than:**

(1) to receive distributions in 2026, November 1, 2025; and

(2) to receive distributions in 2027, November 1, 2026.

In addition to the adopted budget, the governing body of the charter school shall also submit to the charter authorizer, and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3, the dates on which each requirement under this subsection was met and a statement from the governing body of the charter school attesting that those dates are true and accurate and that the budget was properly adopted under this subsection.

~~(i) Before April 1, 2025, and before April 1 of each year thereafter, the county auditor shall provide each school corporation and each eligible charter school the actual amount of property tax levy revenue the school corporation and charter school are expected to receive under this section.~~

(i) This subsection applies to distributions of property tax revenue under this section in 2026 and 2027. If an eligible charter school does not satisfy the requirements of subsection (h) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (h). Any distribution amount that must be withheld from distribution to any particular charter school under this subsection in:

(1) calendar year 2025 shall be added to the incremental amount as described in STEP TWO of subsection (f) and distributed among the school corporation and remaining charter schools according to subsection (f) in calendar year

2026;

(2) calendar year 2026 shall be added to the incremental amount as described in STEP TWO of subsection (f) and distributed among the school corporation and remaining charter schools according to subsection (f) in calendar year 2027; and

(3) calendar year 2027 shall be added to the incremental amount as described in STEP TWO of subsection (f) and distributed among the school corporation and remaining charter schools according to subsection (f) in calendar year 2027.

SECTION 230. IC 20-46-8-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 12. (a) This section applies to revenue collected after December 31, 2027, from a tax levy imposed under this chapter only if the number of students who have legal settlement in a school corporation but attend a charter school, excluding virtual charter schools and adult high schools, and receive not more than fifty percent (50%) virtual instruction, is at least the greater of:**

(1) one hundred (100) students; or

(2) two percent (2%) of the school corporation's spring ADM count, excluding students who receive more than fifty percent (50%) virtual instruction.

(b) As used in this section, "eligible charter school" means a charter school attended by a student who:

(1) has legal settlement in a school corporation that imposes a tax levy under this chapter; and

(2) receives not more than fifty percent (50%) virtual instruction.

However, the term does not include a virtual charter school or an adult high school.

(c) The following schools are not eligible to receive, and may not be considered in a calculation made for purposes of, a distribution under this section:

(1) A virtual charter school.

(2) An adult high school.

(d) Beginning in calendar year 2028, and in each calendar year thereafter, and subject to subsection (j), the county auditor shall distribute to each eligible charter school in the manner provided under this section an amount of revenue received from a tax levy imposed by a school corporation under this chapter.

(e) For the purposes of the calculations made in this section, each eligible charter school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation.

(f) Not later than January 1, 2028, and not later than January 1 of each year thereafter, the department, in consultation with the department of local government finance, shall determine, for each school corporation, the corresponding percentages of revenue received from the tax levy that must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine, for each eligible charter school, the number of students who:

(A) have legal settlement within the school corporation;

(B) are currently included in the fall ADM count for the charter school; and

(C) receive not more than fifty percent (50%) virtual instruction.

STEP TWO: Determine the sum of:

(A) the aggregate of the STEP ONE results for all eligible charter schools with respect to the school corporation; plus

(B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP THREE: For each eligible charter school, determine the result of:

(A) the applicable STEP ONE amount; divided by

(B) the STEP TWO amount;

expressed as a percentage.

STEP FOUR: Determine the sum of all the amounts computed under STEP THREE and subtract the result from one hundred percent (100%).

(g) The department shall provide to the county auditor, immediately after calculation under subsection (f):

(1) each eligible charter school and the eligible charter school's corresponding percentage calculated under STEP THREE of subsection (f); and

(2) the percentage calculated under STEP FOUR of subsection (f) for the school corporation.

(h) Subject to subsections (j) and (l), the county auditor shall

distribute to the school corporation and each eligible charter school the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine the amount collected in the most recent installment period by the school corporation from the school corporation's operations fund levy imposed under this chapter.

STEP TWO: To determine the distribution for the school corporation and each eligible charter school, determine the result of:

(A) the sum of:

(i) the STEP ONE result; plus

(ii) any amount withheld in the previous year under subsection (k); multiplied by

(B) the following percentage:

(i) In the case of an eligible charter school, the charter school's percentage under STEP THREE of subsection (f).

(ii) In the case of the school corporation, the school corporation's percentage under STEP FOUR of subsection (f).

(i) Not later than August 15, 2027, and not later than August 15 of each calendar year thereafter, the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and eligible charter school are expected to receive under this section in the subsequent calendar year based on the most recent spring ADM count.

(j) Beginning with distributions of property tax revenue under this section in 2028 and thereafter, in order to receive a distribution under this section, the governing body of an eligible charter school shall, not later than October 15, 2027, and not later than October 15 of each calendar year thereafter, adopt a budget for the ensuing school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the eligible charter school is incorporated. Not later than November 1, 2027, and not later than November 1 of each calendar year thereafter, the governing body of the charter school shall submit:

(1) the budget that is adopted under this subsection;

(2) the dates on which each requirement under this subsection was met; and

(3) a statement from the governing body of the charter school attesting that the dates provided in subdivision (2) are true and accurate and that the budget was properly adopted under this subsection;

to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3.

(k) If an eligible charter school does not satisfy the requirements of subsection (j) to receive distributions under this section during a calendar year, as determined by the department of local government finance, the eligible charter school may not receive a distribution of property tax revenue in that calendar year and the county auditor shall withhold the eligible charter school's distribution amount. The department of local government finance's determination of compliance consists only of a confirmation that the adopted budget and attestation statement are submitted not later than the applicable date under subsection (j). Any distribution amount withheld under this subsection shall be:

(1) added to the property tax revenue collections as described in STEP TWO of subsection (h); and

(2) distributed among the school corporation and remaining eligible charter schools according to subsection (h);

in the calendar year that immediately follows the calendar year in which the distribution amount was withheld.

(l) This subsection applies only to distributions under subsection (h) in calendar years 2028, 2029, and 2030 to an eligible charter school. Instead of the amount determined under subsection (h) for a distribution to a particular eligible charter school from the revenue collected from the tax levy imposed under this chapter by a particular school corporation, the county auditor shall make distributions according to the following:

(1) For a distribution in 2028, the county auditor shall distribute an amount for a particular eligible charter school equal to:

(A) the applicable result of STEP TWO of subsection (h) for the eligible charter school; multiplied by

(B) twenty-five hundredths (0.25).

(2) For a distribution in 2029, the county auditor shall distribute an amount for a particular eligible charter school equal to:

(A) the applicable result of STEP TWO of subsection (h) for the eligible charter school; multiplied by

(B) five-tenths (0.5).

(3) For a distribution in 2030, the county auditor shall distribute an amount for a particular eligible charter school equal to:

(A) the applicable result of STEP TWO of subsection (h) for the eligible charter school; multiplied by

(B) seventy-five hundredths (0.75).

Any amount of property tax revenue collected from the tax levy imposed under this chapter by a particular school corporation that remains after making the distributions according to this subsection shall be distributed to the school corporation and are in addition to the amount distributed to the school corporation under subsection (h) for the applicable year. This subsection expires July 1, 2032.

SECTION 231. IC 20-46-9-6, AS AMENDED BY P.L.162-2024, SECTION 26, AND AS AMENDED BY P.L.156-2024, SECTION 30, AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 6. (a) Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot if the governing body of the school corporation determines that a referendum levy should be imposed for measures to improve school safety as described in IC 20-40-20-6(a) or IC 20-40-20-6(b).

(b) Except as provided in section 22 of this chapter, a school corporation may, with the approval of the majority of members of the governing body, distribute a portion of the proceeds of a tax levy collected under this chapter that is deposited in the fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation, to be used by the charter school for the purposes described in IC 20-40-20-6(a).

(c) This subsection applies to a resolution described in subsection (a) that is adopted after May 10, 2023, in a county described in section 22(a) of this chapter. A resolution shall specify that a portion of the proceeds of the proposed levy will be distributed to applicable charter schools in the manner described under section 22 of this chapter if the charter school voluntarily elects to participate in the referendum in the manner described in subsection (i).

(d) This subsection applies to a resolution described in subsection (a) that is adopted after May 10, 2023, in a county described in section 22(a) of this chapter. The resolution described in subsection (a) shall

include a projection of the amount that the school corporation expects to be distributed to a particular charter school, excluding virtual charter schools or adult high schools, under section 22 of this chapter that elects to participate in the referendum under subsection (i). At least sixty (60) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact the department to determine the number of students in kindergarten through grade 12 who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools, and who receive not more than fifty percent (50%) virtual instruction. The department shall provide the school corporation with the number of students with legal settlement in the school corporation who attend a charter school, which shall be disaggregated for each particular charter school, excluding a virtual charter school or adult high school. The projection may include an expected increase in charter schools during the term the levy is imposed. The department of local government finance shall prescribe the manner in which the projection shall be calculated. The governing body shall take into consideration the projection when adopting the revenue spending plan under subsection (g).

(e) The governing body of the school corporation shall certify a copy of the resolution to the following:

(1) The department of local government finance, including:

(A) the language for the question required by section 9 of this chapter, or in the case of a resolution to extend a referendum levy certified to the department of local government finance, section 10 of this chapter; and

(B) a copy of the revenue spending plan adopted under subsection (g).

~~The language of the public question must include the estimated average percentage increases certified by the county auditor under section 9(d) or 10(f) of this chapter, as applicable. The governing body of the school corporation shall also provide the county auditor's certification described in section 9(d) or 10(f) of this chapter, as applicable.~~ The department of local government finance shall post the values certified by the county auditor to the department's website. The department shall review the language for compliance with section 9 or 10 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after ~~*both the certification of the county auditor described in section 9(d) or*~~

~~10(f)~~ ~~of this chapter,~~ ~~as applicable,~~ ~~and~~ the resolution *is* ~~are~~ submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

(2) The county fiscal body of each county in which the school corporation is located (for informational purposes only).

(3) The circuit court clerk of each county in which the school corporation is located.

(f) Except as provided in section 22 of this chapter, the resolution described in subsection (a) must indicate whether proceeds in the school corporation's fund collected from a tax levy under this chapter will be used to provide a distribution to a charter school or charter schools, excluding a virtual charter school, under IC 20-40-20-6(b) as well as the amount that will be distributed to the particular charter school or charter schools. A school corporation may request from the designated charter school or charter schools any financial documentation necessary to demonstrate the financial need of the charter school or charter schools.

(g) As part of the resolution described in subsection (a), the governing body of the school corporation shall adopt a revenue spending plan for the proposed referendum tax levy that includes:

(1) an estimate of the amount of annual revenue expected to be collected if a levy is imposed under this chapter;

(2) the specific purposes described in IC 20-40-20-6 for which the revenue collected from a levy imposed under this chapter will be used;

(3) an estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (2); and

(4) for a resolution for a referendum that is adopted after May 10, 2023, for a county described in section 22(a) of this chapter, the projected revenue that shall be distributed to charter schools as provided in subsection (d). The revenue spending plan shall also take into consideration deviations in the proposed revenue spending plan if the actual charter school distributions exceed or are lower than the projected charter school distributions described in subsection (d). The resolution shall include for each charter school that elects to participate under subsection (i) information described in subdivisions (1) through (3).

(h) A school corporation shall specify in its proposed budget the school corporation's revenue spending plan adopted under subsection (g) and annually present the revenue spending plan at its public hearing

on the proposed budget under IC 6-1.1-17-3.

(i) This subsection applies to a resolution described in subsection (a) for a county described in section 22(a) of this chapter that is adopted after May 10, 2023. At least forty-five (45) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact each charter school, excluding virtual charter schools or adult high schools, disclosed by the department to the school corporation under subsection (f) to determine whether the charter school will participate in the referendum. *The notice must include the total amount of the school corporation's expected need, the corresponding estimate of that amount divided by the number of students enrolled in the school corporation, and the date on which the governing body of the school corporation will vote on the resolution.* The charter school must respond in writing to the school corporation, *which may be by electronic mail addressed to the superintendent of the school corporation,* at least fifteen (15) days prior to the date that the resolution described in subsection (a) is to be voted on by the governing body. If the charter school elects to not participate in the referendum, the school corporation may exclude distributions to the charter school under section 22 of this chapter and from the projection described in subsection (d). If the charter school elects to participate in the referendum, the charter school may receive distributions under section 22 of this chapter and must be included in the projection described in subsection (d). In addition, a charter school that elects to participate in the referendum under this subsection shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.

(j) This subsection applies to a resolution described in subsection (a) for a county described in section 22(a) of this chapter that is adopted after May 10, 2023. At least thirty (30) days before the ~~*resolution described in subsection (a)*~~ *referendum submitted to the voters under this chapter* is voted on by the ~~*governing body,*~~ *public in a* ~~*primary or*~~ *general election,* the school corporation that is pursuing the ~~*resolution*~~ *referendum* and any charter school that has elected to participate under subsection (i) shall post a referendum disclosure statement on each school's respective website that contains the following information:

(1) The salaries ~~*of all employees employed*~~ by *position within* the school corporation or charter school listed from highest salary to lowest salary *and a link to Gateway Indiana for access to individual salaries.*

(2) An acknowledgment that the school corporation or charter school is not committing any crime described in IC 35-44.1-1.

(3) A link to the school corporation's or charter school's most recent state board of accounts audit on the state board of accounts' website.

(4) The current enrollment of the school corporation or charter school disaggregated by student group and race.

(5) The school corporation's or charter school's high school graduation rate.

(6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years.

SECTION 232. IC 20-46-9-9, AS AMENDED BY P.L.189-2023, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 9. ~~(a)~~ The question to be submitted to the voters in the referendum must read as follows:

~~"Shall the school corporation increase property taxes paid to schools by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? If this public question is approved by the voters, the average property tax paid to schools per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to schools on a residence within the school corporation as determined under subsection (b)) and the average property tax paid to schools per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to schools on a business property within the school corporation as determined under subsection (c)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed).".~~

"Shall _____ (insert the name of the school corporation) increase property taxes paid to the school corporation for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding _____ (insert a brief description of the purposes) by imposing a property tax rate that does not exceed _____ (insert property tax rate) and results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy). If this school safety referendum public question is approved by the voters, for a

median residence of _____ (insert the school corporation's median household assessed value, rounded up to the next fifty thousand dollars ($50,000)), the property's annual property tax bill would increase by _____ (insert dollar amount, rounded up to the next whole dollar) per year. (If, in the previous five (5) years, the school corporation has conducted a school safety referendum public question, the following shall also be included in the ballot language.) The most recent school safety referendum public question proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed).".

~~(b) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the school corporation that must be included in the public question under subsection (a) as follows:~~

~~STEP ONE: Determine the average assessed value of a homestead located within the school corporation.~~

~~STEP TWO: For purposes of determining the net assessed value of the average homestead located within the school corporation, subtract:~~

~~(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and~~

~~(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;~~

~~from the result of STEP ONE.~~

~~STEP THREE: Divide the result of STEP TWO by one hundred (100).~~

~~STEP FOUR: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.~~

~~STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the school corporation:~~

~~(A) multiply the result of STEP THREE by the result of STEP FOUR; and~~

~~(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).~~

~~STEP SIX: Determine the amount of the school corporation's part~~

of the result determined in STEP FIVE.

STEP SEVEN: Multiply:

(A) the tax rate that will be imposed if the public question is approved by the voters; by

(B) the result of STEP THREE.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP SIX, expressed as a percentage.

(c) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the school corporation that must be included in the public question under subsection (a) as follows:

STEP ONE: Determine the average assessed value of business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the school corporation's part of the result determined in STEP FOUR.

STEP SIX: Multiply:

(A) the result of STEP TWO; by

(B) the tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.

(d) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to schools determined under subsection (b), and the estimated average percentage of property tax increase on a business property to be paid to schools determined under subsection (c), in a manner prescribed by

~~the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.~~

SECTION 233. IC 20-46-9-10, AS AMENDED BY P.L.236-2023, SECTION 156, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 10. (a) This section applies only to a referendum to allow a school corporation to extend a referendum tax levy.

(b) The question to be submitted to the voters in the referendum must read as follows:

~~"Shall the school corporation continue to impose increased property taxes paid to the school corporation by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? The property tax increase requested in this referendum was originally approved by the voters in _____ (insert the year in which the referendum tax levy was approved) and if extended will increase the average property tax paid to the school corporation per year on a residence within the school corporation by _____% (insert the estimated average percentage of property tax increase on a residence within the school corporation) and if extended will increase the average property tax paid to the school corporation per year on a business property within the school corporation by _____% (insert the estimated average percentage of property tax increase on a business within the school corporation).".~~

"Shall _____ (insert the name of the school corporation) continue to increase property taxes paid to the school corporation for no more than _____ (insert the number of years immediately following the holding of the referendum) years for the purpose of funding _____ (insert brief description of the purposes) by imposing a property tax rate that does not exceed _____ (insert property tax rate) and results in a maximum annual amount that does not exceed _____ (insert maximum amount of annual levy). If this school safety referendum public question is NOT approved by the voters, for a median residence of _____ (insert the school corporation's median household assessed value, rounded up to the next fifty thousand dollars ($50,000)), the property's annual tax bill would decrease by _____ (insert dollar amount, rounded up to the next whole dollar) per year. If this school safety referendum public question is approved

by the voters, it would be a renewal of the most recent school safety referendum public question passed in _____ (insert year the original operating referendum public question passed) with a property tax rate of _____ (insert property tax rate of the original school safety referendum public question).".

(c) The number of years for which a referendum tax levy may be extended if the public question under this section is approved may not exceed the number of years for which the expiring referendum tax levy was imposed.

~~(d) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the school corporation that must be included in the public question under subsection (b) as follows:~~

~~STEP ONE: Determine the average assessed value of a homestead located within the school corporation.~~

~~STEP TWO: For purposes of determining the net assessed value of the average homestead located within the school corporation, subtract:~~

~~(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and~~

~~(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;~~

~~from the result of STEP ONE.~~

~~STEP THREE: Divide the result of STEP TWO by one hundred (100).~~

~~STEP FOUR: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.~~

~~STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the school corporation:~~

~~(A) multiply the result of STEP THREE by the result of STEP FOUR; and~~

~~(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).~~

~~STEP SIX: Determine the amount of the school corporation's part of the result determined in STEP FIVE.~~

STEP SEVEN: Multiply:

(A) the tax rate that will be imposed if the public question is approved by the voters; by

(B) the result of STEP THREE.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP SIX, expressed as a percentage.

(e) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the school corporation that must be included in the public question under subsection (b) as follows:

STEP ONE: Determine the average assessed value of business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars ($100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the school corporation's part of the result determined in STEP FOUR.

STEP SIX: Multiply:

(A) the result of STEP TWO; by

(B) the tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.

(f) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the school corporation determined under subsection (d), and the estimated average percentage of property tax increase on a business property to be paid to the school corporation determined under subsection (e), in a manner prescribed by the department of local government finance, and provide

~~the certification to the governing body of the school corporation that proposes to impose property taxes.~~

SECTION 234. IC 20-46-9-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 10.5. Each year, the county auditor, with cooperation from the department of local government finance, shall determine the tax rate needed to raise the maximum amount of the annual levy for the year as described under section 9 or 10 of this chapter, as applicable, and shall determine all other information needed for the ballot language in those sections.**

SECTION 235. IC 20-46-9-14, AS AMENDED BY P.L.227-2023, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 14. ~~(a)~~ The referendum shall be held in the next ~~primary election~~ general election, ~~or municipal election~~ **as provided under IC 3-10-9-3(b),** in which all the registered voters who are residents of the school corporation are entitled to vote after certification of the question. ~~under IC 3-10-9-3.~~ The certification of the question must occur not later than noon

~~(1) seventy-four (74) days before a primary election if the question is to be placed on the primary or municipal primary election ballot; or~~

~~(2)~~ August 1. ~~if the question is to be placed on the general or municipal election ballot.~~

~~(b) However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this chapter and if the school corporation requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon:~~

~~(1) seventy-four (74) days before a special election to be held in May (if the special election is to be held in May); or~~

~~(2) August 1 (if the special election is to be held in November).~~

~~(c) If the referendum is not conducted at a primary election, general election, or municipal election, the school corporation in which the referendum is to be held shall pay all the costs of holding the referendum.~~

SECTION 236. IC 20-46-9-22, AS ADDED BY P.L.189-2023, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 22. (a) This section:

(1) applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 6 or 7 of this chapter after May 10, 2023, for a school corporation located in:

~~(1)~~ **(A)** Lake County;

~~(2)~~ **(B)** Marion County;

~~(3)~~ **(C)** St. Joseph County; or

~~(4)~~ **(D)** Vanderburgh County;

through the full term of the referendum levy; and

(2) does not apply to revenue received from a referendum levy if:

(A) the governing body of the school corporation approves the referendum levy in a resolution adopted under section 6 or 7 of this chapter; and

(B) the referendum levy is imposed for the first time with property taxes first due and payable in a calendar year beginning after December 31, 2027.

(b) The county auditor shall distribute an amount under subsection (d) to each charter school, excluding virtual charter schools or adult high schools, that a student who resides within the attendance area of the school corporation attends if the charter school, excluding virtual charter schools or adult high schools, elects to participate in the referendum under section 6(i) of this chapter. The department shall provide the county auditor with data and information necessary for the county auditor to determine:

(1) which charter schools, excluding virtual charter schools or adult high schools, are eligible to receive a distribution under this section; and

(2) the number of all students who reside within the attendance area of the school corporation who are included in the ADM for each charter school, excluding virtual charter schools or adult high schools, described in subdivision (1).

(c) The following schools are not eligible to receive a distribution under this section:

(1) A virtual charter school.

(2) An adult high school.

(d) For the purposes of the calculations made in this subsection, each eligible school that has entered into an agreement with a school corporation to participate as a participating innovation network charter school under IC 20-25.7-5 is considered to have an ADM that is separate from the school corporation. The amount that the county auditor shall distribute to a charter school, excluding virtual charter

schools or adult high schools, under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school, excluding virtual charter schools or adult high schools, that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.

STEP TWO: Determine the sum of:

(A) the current ADM count for the school corporation; plus

(B) the total number of students who reside within the attendance area of the school corporation who are currently included in the ADM of a charter school, excluding virtual charter schools or adult high schools.

STEP THREE: Determine the result of:

(A) the STEP ONE amount; divided by

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

(B) the amount collected by the county auditor during the most recent installment period.

(e) If a charter school receives a distribution under this section, the distribution may be used only for the purposes described in IC 20-40-20-6(a).

SECTION 237. IC 36-1-8-5.1, AS AMENDED BY P.L.38-2021, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5.1. (a) A political subdivision may establish a rainy day fund by the adoption of:

(1) an ordinance, in the case of a county, city, or town; or

(2) a resolution, in the case of any other political subdivision.

(b) An ordinance or a resolution adopted under this section must specify the following:

(1) The purposes of the rainy day fund.

(2) The sources of funding for the rainy day fund, which may include the following:

(A) Unused and unencumbered funds under

~~(i)~~ section 5 of this chapter. ~~or~~

~~(ii) IC 6-3.6-9-15.~~

(B) Any other funding source:

(i) specified in the ordinance or resolution adopted under this section; and

(ii) not otherwise prohibited by law.

(c) The rainy day fund is subject to the same appropriation process

as other funds that receive tax money.

(d) In any fiscal year, a political subdivision may, at any time, do the following:

(1) Transfer any unused and unencumbered funds specified in subsection (b)(2)(A) from any fiscal year to the rainy day fund.

(2) Transfer any other unobligated cash balances from any fiscal year that are not otherwise identified in subsection (b)(2)(A) or section 5 of this chapter to the rainy day fund as long as the transfer satisfies the following requirements:

(A) The amount of the transfer is authorized by and identified in an ordinance or resolution.

(B) The amount of the transfer is not more than:

(i) before January 1, 2021, ten percent (10%);

(ii) after December 31, 2020, and before January 1, 2025, fifteen percent (15%); and

(iii) after December 31, 2024, ten percent (10%);

of the political subdivision's total annual budget adopted under IC 6-1.1-17 for that fiscal year.

(C) The transfer is not made from a debt service fund.

(e) A political subdivision may use only the funding sources specified in subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund. The political subdivision may adopt a subsequent ordinance or resolution authorizing the use of another funding source.

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

(g) A county, city, or town may at any time, by ordinance or resolution, transfer to:

(1) its general fund; or

(2) any other appropriated funds of the county, city, or town;

money that has been deposited in the rainy day fund of the county, city, or town.

(h) A school corporation may at any time, by resolution, transfer to its education fund or operations fund money that has been deposited in its rainy day fund.

SECTION 238. IC 36-7-14-39, AS AMENDED BY P.L.136-2024, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 39. (a) As used in this section:

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

allocation of property taxes.

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

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

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

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

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

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

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

(3) If:

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

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

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an

allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. Notwithstanding any other law, in the case of an allocation area that is established after June 30, 2019, and that is located in a redevelopment project area described in section 25.1(c)(3)(C) of this chapter, an economic development area described in section 25.1(c)(3)(C) of this chapter, or an urban renewal project area described in section 25.1(c)(3)(C) of this chapter, the expiration date of the allocation provision may not be more than thirty-five (35) years after the date on which the allocation provision is established. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

STEP ONE: Divide the unit's tax rate for fire protection for the year before the establishment of the fire protection

territory by the participating unit's tax rate as part of the fire protection territory.

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

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

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

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

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

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

(A) Pay the principal of and interest on any obligations

payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

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

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

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

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

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

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

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

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

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its

repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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

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

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

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

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

(i) Make, when due, any payments required under clauses

(A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

(N) Expend revenues that are allocated for police and fire services on both capital expenditures and operating expenses as authorized in section 12.2(a)(28) of this chapter.

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

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

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

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

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

(ii) state that the commission has determined that there is no

excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

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

(C) If:

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

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

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

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

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

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

the amount of the excess assessed value that generates more than two hundred percent (200%) of the amounts described in clauses

(A) and (B) shall be allocated to the respective taxing units in the manner prescribed by subdivision (1).

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(4) shall establish an allocation fund for the purposes specified in subsection (b)(4) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(4) for the year. The amount sufficient for purposes specified in subsection (b)(4) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area.

A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(4) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1), (b)(2), and (b)(3) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(4), except that where reference is made in subsection (b)(4) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

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

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

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

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area. The department of local government

finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

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

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

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

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

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

(k) For an allocation area established after June 30, 2025, "residential property" refers to the assessed value of property that is allocated to the one percent (1%) homestead land and improvement categories in the county tax and billing software system, along with the residential assessed value as defined for purposes of calculating the rate for the local income tax property tax relief credit designated for residential property under IC 6-3.6-5-6(d)(3) **(before its expiration).**

SECTION 239. IC 36-7-15.1-26, AS AMENDED BY P.L.174-2022, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 26. (a) As used in this section:

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

property taxes.

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

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

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

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

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

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

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

(3) If:

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

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

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory

resolution, as adjusted under subsection (h).

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

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

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

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. However, for an allocation area identified as the Consolidated Allocation Area in the report submitted in 2013 to the fiscal body under section 36.3 of this chapter, the expiration date of any allocation provisions for the allocation area is January 1, 2051. A declaratory resolution or an amendment that

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

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

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

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

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

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

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

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

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of 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 taxing units in the manner prescribed in subdivision (1).

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

(C) If:

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

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

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

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

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

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

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

(A) Businesses operating in the enterprise zone.

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

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in

subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the reassessment under the reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

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

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

(j) If the commission adopts a declaratory resolution or an amendment to a declaratory resolution that contains an allocation provision and the commission makes either of the filings required

under section 10(e) of this chapter after the first anniversary of the effective date of the allocation provision, the auditor of the county in which the unit is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the later of:

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

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

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

SECTION 240. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 53. (a) As used in this section:

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

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

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

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

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

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

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

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

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

(B) the base assessed value;

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

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

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

of the following:

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

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

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

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

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

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

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

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

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

basis for the increment financing are made.

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

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

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

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

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

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

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

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

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

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district

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

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

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

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

(2) the base assessed value.

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

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

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment

for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

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

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

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each reassessment of real property in an area under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

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

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

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

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

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

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

SECTION 241. IC 36-7-30-25, AS AMENDED BY P.L.174-2022, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 25. (a) The following definitions apply throughout this section:

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

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

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

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

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

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

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

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

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

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

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

(B) the base assessed value;

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

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

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the military base reuse district and, when

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

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

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

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

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

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

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

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

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

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

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

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

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

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

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

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

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

(2) the base assessed value.

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

(e) Notwithstanding any other law, each assessor shall, upon

petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

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

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

(2) the base assessed value.

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

(h) After each reassessment of real property in an area under the county's reassessment plan under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(3) than would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

SECTION 242. IC 36-7-30.5-30, AS AMENDED BY P.L.174-2022, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base

development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

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

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

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

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

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

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

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

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

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

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

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its

repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

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

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

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

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

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

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

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

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

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due,

principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivisions (2) and (3).

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

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

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

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

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

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

(2) the base assessed value.

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

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

(f) Notwithstanding any other law, the assessed value of all taxable

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

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

(2) the base assessed value.

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

(h) After each reassessment of real property in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1)

time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(3) than would otherwise have been received if the reassessment under the county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

SECTION 243. IC 36-7.5-4-2.5, AS ADDED BY P.L.189-2018, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 2.5. (a) This section applies to a unit that has previously:

(1) entered into an interlocal cooperation or other similar agreement;

(2) adopted an ordinance or resolution; or

(3) taken any other action offering to support and finance:

(A) a rail project or rail projects under this chapter; or

(B) the double tracking project under IC 36-7.5-4.5.

(b) The unit may use any legally available revenue to support and finance the projects described in subsection (a)(3), including ~~additional revenue~~ **general purpose revenue** allocated each year for economic development under ~~IC 6-3.6-6-9.~~ **IC 6-3.6-6.**

(c) Additional revenue allocated for economic development to support and finance the projects under this section shall be paid by the treasurer of state to the treasurer of the northwest Indiana regional development authority under section 2 of this chapter before certified distributions are made to the county or any civil taxing unit in the county or counties in which the unit is located.

(d) A transfer made on behalf of a unit under subsection (c) after December 31, 2018, is considered to be a payment for services provided to residents by a rail project as those services are rendered.

(e) A pledge by the development authority of transferred revenue under this section to the payment of bonds, leases, or obligations under this article or IC 5-1.3:

(1) constitutes the obligations of the northwest Indiana regional development authority; and

(2) does not constitute an indebtedness of:

(A) a unit described in this section; or

(B) the state;

within the meaning or application of any constitutional or statutory provision or limitation.

(f) Neither the transfer of revenue nor the pledge of revenue transferred under this section is an impairment of contract within the meaning or application of any constitutional provision or limitation because of the following:

(1) The statutes governing local income taxes, including the transferred revenue, have been the subject of legislation annually since 1973, and during that time the statutes have been revised, amended, expanded, limited, and recodified dozens of times.

(2) Owners of bonds, leases, or other obligations to which local income tax revenues have been pledged recognize that the regulation of local income taxes has been extensive and consistent.

(3) All bonds, leases, or other obligations, due to their essential contractual nature, are subject to relevant state and federal law that is enacted after the date of a contract.

(4) The state of Indiana has a legitimate interest in assisting the northwest Indiana regional development authority in financing

rail projects.

(g) All proceedings had and actions described in this section are valid pledges under IC 5-1-14-4 as of the date of those proceedings or actions and are hereby legalized and declared valid if taken before March 15, 2018.

SECTION 244. IC 36-8-19-7, AS AMENDED BY P.L.95-2022, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7. (a) **Subject to subsection (d),** a tax levied under this chapter may be levied at:

(1) a uniform rate upon all taxable property within the territory; or

(2) different rates for the participating units included within the territory, so long as a tax rate applies uniformly to all of a unit's or fire protection district's taxable property within the territory.

(b) If a uniform tax rate is levied upon all taxable property within a territory upon the formation of the territory, different tax rates may be levied for the participating units included within the territory in subsequent years.

(c) This subsection applies to a territory established by an ordinance or a resolution adopted under this chapter after December 31, 2022. A total tax rate levied under this chapter upon taxable property within a territory upon the formation of the territory may be implemented over a number of years, not exceeding five (5), and in a manner subject to review and approval by the department of local government finance.

(d) This subsection applies to a territory established by an ordinance or a resolution adopted under this chapter after December 31, 2024. The provider unit and each participating unit in a territory may not impose a tax rate on the unit's or fire protection district's taxable property within the territory that exceeds forty cents ($0.40) per one hundred dollars ($100) of assessed valuation.

SECTION 245. IC 36-8-19-7.5, AS AMENDED BY P.L.38-2021, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)]: Sec. 7.5. (a) This section applies to:

(1) local income tax distributions; and

(2) excise tax distributions;

made after December 31, 2009.

(b) Except as provided in subsection (c), for purposes of allocating local income tax distributions that are based on a taxing unit's allocation amount **before January 1, 2028,** or that an adopting body allocates under IC 6-3.6-6 to economic development **before January**

1, 2028, or excise tax distributions that are distributed based on the amount of a taxing unit's property tax levies, each participating unit in a territory is considered to have imposed a part of the property tax levy imposed for the territory. The part of the property tax levy imposed for the territory for a particular year that shall be attributed to a participating unit is equal to the amount determined in the following STEPS:

STEP ONE: Determine the total amount of all property taxes imposed by the participating unit in the year before the year in which a property tax levy was first imposed for the territory.

STEP TWO: Determine the sum of the STEP ONE amounts for all participating units.

STEP THREE: Divide the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by the property tax levy imposed for the territory for the particular year.

(c) This subsection applies to a determination under subsection (b) made in calendar years 2018, 2019, and 2020. The department of local government finance may, for distributions made in calendar year 2022, adjust the allocation amount determined under subsection (b) to correct for any clerical or mathematical errors made in any determination for calendar year 2018, 2019, or 2020, as applicable, including the allocation amount for any taxing unit whose distribution was affected by the clerical or mathematical error in those years. The department of local government finance may apply the adjustment to the allocation amount for a taxing unit over a period not to exceed ten (10) years in order to offset the effect of the adjustment on the distribution.

(d) This subsection applies to a territory established by an ordinance or a resolution adopted under this chapter after December 31, 2024. Before additional revenue from a local income tax rate may be allocated to the provider unit of a new territory due to an increased property tax levy resulting from the establishment of the territory, the county fiscal body must adopt an ordinance or resolution approving the allocation.

SECTION 246. IC 36-8-19-8, AS AMENDED BY P.L.236-2023, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 8. (a) Upon the adoption of identical ordinances or resolutions, or both, by the participating units under section 6 of this chapter, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all

depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time.

(b) The fund consists of the following:

(1) All receipts from the tax imposed under this section.

(2) Any money transferred to the fund by the provider unit as authorized under subsection (d).

(3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.

(4) Any money transferred to the fund by a participating unit under section 8.6 of this chapter.

(5) Any receipts from a distribution made under ~~IC 6-3.6-6-8(d),~~ **IC 6-3.6-6-8(b),** which shall be deposited in the fund.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory. The provider unit may maintain a reasonable balance, not to exceed one hundred twenty percent (120%) of the budgeted expenses. Except as provided in IC 6-1.1-18.5-10.5, and subject to section 7(c) of this chapter, after estimating expenses and receipts of money, the provider unit shall establish the tax levy required to fund the estimated budget. Subject to IC 6-1.1-18.5-10.5(c), the amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount levied in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

(1) the levy in the following year shall be increased by the amount required to be transferred; and

(2) the provider unit is entitled to transfer the amount described in subdivision (1) from the fund as reimbursement to the provider unit.

(e) If the amount levied in a particular year exceeds the amount necessary to cover the costs incurred in providing fire protection services within the territory, the levy in the following year shall be reduced by the amount of surplus money that is not transferred to the

equipment replacement fund established under section 8.5 of this chapter. The amount that may be transferred to the equipment replacement fund may not exceed five percent (5%) of the levy for that fund for that year. Each participating unit must agree to the amount to be transferred by adopting an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that specifies an identical amount to be transferred.

(f) The tax under this section is subject to the tax levy limitations imposed under IC 6-1.1-18.5-10.5.

SECTION 247. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)] **(a) IC 6-1.1-51.3, as added by this act, applies to property taxes imposed for assessment dates on or after January 1, 2025.**

(b) This SECTION expires June 30, 2029.

SECTION 248. [EFFECTIVE JANUARY 1, 2025 (RETROACTIVE)] **(a) IC 6-1.1-4-4.5 and IC 6-1.1-20.6-8.5, both as amended by this act, apply to assessment dates occurring after December 31, 2024, for property taxes first due and payable in 2026.**

(b) This SECTION expires June 30, 2029.

SECTION 249. [EFFECTIVE JANUARY 1, 2026] **(a) IC 6-1.1-18.5-12 and IC 6-1.1-18.5-13, both as amended by this act, apply to property tax levies after December 31, 2025.**

(b) IC 6-1.1-18.5-12 and IC 6-1.1-18.5-13, before their amendment by this act, apply to property tax levies for 2025.

(c) This SECTION expires January 1, 2030.

SECTION 250. [EFFECTIVE JUNE 30, 2027] **(a) Notwithstanding the July 1, 2027, effective date for IC 6-3.6-6-0.5, IC 6-3.6-6-4.3, IC 6-3.6-6-4.5, and IC 6-3.6-6-6.1, all as added by this act; the July 1, 2027, effective date for IC 6-3.6-6-2, IC 6-3.6-6-3, IC 6-3.6-6-4, IC 6-3.6-6-8, IC 6-3.6-6-8.5, IC 6-3.6-6-9.5, IC 6-3.6-6-17, IC 6-3.6-6-18, IC 6-3.6-6-19, and IC 6-3.6-6-21, all as amended by this act; and the July 1, 2027, or January 1, 2028, repeal of IC 6-3.6-6-2.5, IC 6-3.6-6-2.6, IC 6-3.6-6-2.7, IC 6-3.6-6-2.8, IC 6-3.6-6-2.9, IC 6-3.6-6-9, IC 6-3.6-6-10, IC 6-3.6-6-11, IC 6-3.6-6-12, IC 6-3.6-6-14, IC 6-3.6-6-15, IC 6-3.6-6-16, and IC 6-3.6-6-20, all as repealed by this act; the method used to determine the amount of a particular distribution of revenue before July 1, 2027, shall continue to be used for these determinations for all of 2027.**

(b) Notwithstanding the adoption of different tax rates by a county applicable after 2027 or the adoption of municipal tax rates

under IC 6-3.6-6-22, as added by this act, applicable after 2027, or any other provision of law, the certified distribution methodology calculation for local income tax distributions made in 2027 shall continue for local income tax distributions made in 2028 and 2029 to account for the transition to any new tax rates.

(c) This SECTION expires June 30, 2030.

SECTION 251. [EFFECTIVE JUNE 30, 2027] **(a) As used in this SECTION, "local income tax council" means a local income tax council established under IC 6-3.6-3-1, before its amendment by this act.**

(b) On July 1, 2027, all powers, duties, and authorities of a local income tax council are transferred to the fiscal body of the county in which it is located.

(c) An ordinance adopted by a local income tax council under IC 6-3.6 before July 1, 2027, continues in effect after June 30, 2027, and is valid and binding until it is rescinded or otherwise amended by the county fiscal body.

(d) On or before July 1, 2027, all records and property under the control of a local income tax council shall be transferred to the fiscal body of the county in which it is located.

(e) After June 30, 2027, a reference to a local income tax council in any statute, rule, or other document is considered a reference to the county fiscal body.

(f) This SECTION expires June 30, 2030.

SECTION 252. **An emergency is declared for this act.**

COMMITTEE REPORT

Mr. President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 1 as introduced.)

HOLDMAN, Chairperson

Committee Vote: Yeas 10, Nays 3.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 1, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 1 as printed February 12, 2025.)

THOMPSON

Committee Vote: yeas 15, nays 8.