

2026 LEGISLATIVE CHANGES AFFECTING INDIANA REDEVELOPMENT COMMISSIONS

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Below is a summary of some important legislative amendments affecting Indiana Redevelopment Commissions.

AUTOMATIC PASS-THROUGH OF 5% OF ASSESSED VALUE IF JUNE 15 NOTIFICATION DEADLINE IS MISSED

Beginning with the Redevelopment Commission notification due before June 15, 2026, under IC 36-7-14-39(b)(5), if a Redevelopment Commission fails to provide such notification before June 15 of the applicable year, the county auditor must allocate five percent (5%) of the assessed value in the allocation area to the respective taxing units. However, if the Redevelopment Commission notifies the county auditor and the department of local government finance, no later than July 1, that it is unable to meet its debt service obligations with regard to the allocation area without all or part of the allocated tax proceeds attributed to the assessed value that has been allocated to the respective taxing units, then the county auditor may not allocate five percent (5%) of the assessed value in the allocation area to the respective taxing units. *(See House Enrolled Act No. 1210 (2026), effective upon passage.) (See amended IC 36-7-14-39(b)(5).)*

USE OF TAX INCREMENT REVENUES FOR CHILD CARE FACILITIES

Beginning on July 1, 2026, Redevelopment Commissions are authorized to expend tax increment revenues to provide financial assistance (including making grants or loans) for the purpose of encouraging or incentivizing the construction, expansion, or ongoing operation of child care facilities that are in the allocation area or serving the allocation area. *(See House Enrolled Act No. 1177 (2026), effective July 1, 2026.) (See new subparagraph IC 36-7-14-39(b)(4)(O).)*

CHANGES TO RULES RELATING TO RESIDENTIAL HOUSING ALLOCATION AREAS

Beginning on July 1, 2026, a residential housing allocation area is allowed a life of 25 years (rather than 20) from the date of issuance of obligations payable from such allocation area; however, the life ends as soon as such obligations are paid in full, if full payment occurs prior to 25 years. Rather than expiring on June 30, 2026, the change is permanent. IC 36-7-14-53.1, which would have reinstated the less favorable law that had been in effect beginning on January 1, 2023, is repealed. *((See House Enrolled Act No. 1001 (2026), Sections 26-27) effective July 1, 2026.) (See amended IC 36-7-14-53 and repeal of IC 36-7-14-53.1.)*