



Jul 30, 2025

Categories:

[Publications](#)

Authors:

[Daniel T. Shackle](#)

Updates to Indiana's Property Tax Process Now in Effect

On April 15, 2025, Governor Mike Braun signed into law Senate Enrolled Act 1 (SEA 1). Among other tax changes, SEA 1 amends Indiana's procedures for issuance of bonds and other evidence of indebtedness by political subdivisions, Indiana Code (I.C.) 6-1.1-20-0.5—6-1.1-20-12, to expand the definition of "controlled projects" and when political subdivisions must perform a petition and remonstrance or conduct a referendum. These changes are effective as of July 1, 2025.

New Thresholds for Controlled Projects

A "controlled project" generally encompasses any project financed by bonds or a lease, except for the following:

- A project financed from funds other than property taxes;
- A project under the thresholds determined by Indiana's Department of Local Government Finance (DLGF) per I.C. 6-1.1-20-1.1(2)(A)(iii), i.e., 1% of the gross assessed value of property in the political subdivision is greater than \$100 million, or \$1 million if the gross assessed value of the political subdivision is not more than \$100 million;
- A refinance which results in savings to taxpayers;
- Bonds or leases entered into before Jan. 1, 1996;
- A project that is a result of a court order;
- A project that is in response to a natural disaster, accident, or emergency;
- A DLGF-approved project that was not a controlled project under the laws in effect on June 30, 2008;
- A project of the Little Calumet River Basin Development Commission that is payable from a special assessment; and
- A project exclusively for roads or bridges.

Sections 65, 66, and 67 of SEA 1 amend I.C. 6-1.1-20-1.1, 6-1.1-20-3.1, and 6-1.1-20-3.6 to add conditions that make a controlled project subject to either a petition and remonstrance or a referendum.

Section 65 of SEA 1 further expands the definition of controlled projects to include any project where:

- The preliminary determination to issue bonds or enter into a lease is adopted after June 30, 2025, and, if applicable, the public hearing was not conducted before July 1, 2025;
- The project is not exempt under subsections 1 or 3-9 (listed above); and
- The political subdivision's **total** debt service tax rate falls within the range stated in the chart below, which was originally developed by the DLGF and shows values per \$100 of assessed valuation.

Unit Type	Controlled Project	Subject to Petition and Remonstrance
School Corporation	> \$0.40	\$0.40-\$0.70
County or Municipality	> \$0.25	\$0.25-\$0.40
Other Political Subdivision	> \$0.05	\$0.05-\$0.10

Sections 66 and 67 state that a controlled project is now subject to either a petition and remonstrance or a referendum if the political subdivision's **total** debt service tax rate falls within the appropriate ranges in the above table.

Changes to Proposed Ballot Questions

Sections 68 and 70 of SEA 1 amend the form of the ballot questions in I.C. 6-1.1-20-3.6 and 6-1.1-20-4.3 for a proposed property tax referendum. Instead of stating an estimated average property tax increase for residences and businesses, the new ballot questions emphasize the maximum allowable property tax rate, the maximum annual levy, and the tax increase that would result for a residence with a median assessed value.

Section 72 instructs the county auditor to cooperate with the DLGF to determine the tax rate needed to raise the maximum amount of

the annual levy for the year, as well as all other information required for the ballot question. Additionally, beginning in 2025, controlled project referenda may only appear on the ballot during a general election. In accordance with I.C. 3-10-2-1, a general election shall be held on the first Tuesday after the first Monday in November in each even-numbered calendar year.

New Limits on School Corporation Taxation

Finally, section 69 of SEA 1 adds I.C. 6-1.1-20-4.1, placing new limits on all school corporations in Indiana. This new section 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 was imposed. Meaning, school districts will need to wait a year after the conclusion of a previously approved controlled project before they can put a new controlled project on the ballot...assuming it is during a general election.

For more information on SEA 1's new property tax requirements, please contact the author or any attorney with Frost Brown Todd's [Government Services Practice Group](#).

****[Jay Sollman](#), a second-year law student at Indiana University Maurer School of Law, contributed to this article while working as a summer associate at Frost Brown Todd.***

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.