



January 23, 2018

HOUSE BILL No. 1005

DIGEST OF HB 1005 (Updated January 23, 2018 11:28 am - DI 87)

Citations Affected: IC 6-1.1; IC 12-7; IC 12-20; IC 36-6.

Synopsis: Township government consolidation. Requires all townships with a population of less than 1,200 (as determined by the 2010 federal decennial census) to merge with other townships, effective not later than January 1, 2023. Requires merging townships to adopt identical resolutions and a merger plan. Requires the department of local government finance (DLGF) to assist merging townships. Provides the following with regard to the required merger: (1) Requires merging townships to opt for a township legislative body in which: (A) members are elected at large; or (B) one member must reside within the geographic area of each of the former townships, and all voters of the new merged township vote for all legislative body members. (2) The new merged township government assumes the indebtedness of the former townships, but may levy property taxes to pay the indebtedness only within the geographic area of the former township that incurred the debt. (3) Provides that only the property owners, school corporations, and residents residing within the geographic area of a former township in which seminary lands are located may continue to receive the benefits from the seminary lands after the merger. Makes the following changes with regard to all townships: (1) Requires the DLGF to increase the maximum property tax levy for a township's firefighting fund for 2020 and thereafter if: (A) the township imposed a debt service levy in 2019 to pay amounts borrowed to furnish fire protection; and (B) the township executive before August 1, 2019, submits a petition to the DLGF requesting the
(Continued next page)

Effective: Upon passage; July 1, 2018.

Ziemke, Torr, Mahan, DeLaney

January 8, 2018, read first time and referred to Committee on Government and Regulatory Reform.

January 23, 2018, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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Digest Continued

increase. Specifies that the amount of the increase in the maximum property tax levy for the township's firefighting fund is equal to the total amount of the principal that will be due in 2020 on amounts borrowed by the township to furnish fire protection. (2) Makes a stylistic change to a statute that allows a participating unit in a newly formed fire protection territory to phase in the unit's property tax levy. (3) Authorizes a township to appeal to the DLGF for an increase in the township's maximum property tax levy to meet the costs of providing township assistance, not to exceed for a particular calendar year, the levy that would result from a \$0.02 increase in the township's township assistance property tax rate. (4) Allows a township assistance applicant to appeal to the county commissioners if a township trustee refuses or fails to respond to a request for township assistance services. (5) Amends the information required in the township trustee's annual statistical report. (6) Caps a township board member's salary, for calendar year 2019 and every year thereafter, at not more than \$5,000 per year plus a per diem at a rate recommended by the trustee and approved by the township legislative body. (7) Requires a township to prepare a capital improvement plan for the ensuing three years if the balance in certain capital improvement funds in the preceding year exceeds 150% of the township's annual budget estimate. Prohibits the township from collecting property taxes for certain capital improvement funds in the ensuing year unless the township has adopted a capital improvement plan. Makes a technical correction.

HB 1005—LS 7114/DI 92



January 23, 2018

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1005

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 6-1.1-18.5-3.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2018]: **Sec. 3.5. This section applies to a**
4 **township that merges under IC 36-6-1.5 with another township.**
5 **The property tax rate limits in IC 36-6-1.5-12 apply in a township**
6 **if the township satisfies the requirements under that statute.**

7 SECTION 2. IC 6-1.1-18.5-10.5, AS AMENDED BY P.L.245-2015,
8 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2018]: Sec. 10.5. (a) The ad valorem property tax levy limits
10 imposed by section 3 of this chapter do not apply to ad valorem
11 property taxes imposed by a civil taxing unit for fire protection services
12 within a fire protection territory under IC 36-8-19, if the civil taxing
13 unit is a participating unit in a fire protection territory established
14 before August 1, 2001. For purposes of computing the ad valorem
15 property tax levy limits imposed on a civil taxing unit by section 3 of
16 this chapter on a civil taxing unit that is a participating unit in a fire
17 protection territory, established before August 1, 2001, the civil taxing

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1 unit's ad valorem property tax levy for a particular calendar year does
 2 not include that part of the levy imposed under IC 36-8-19. Any
 3 property taxes imposed by a civil taxing unit that are exempted by this
 4 subsection from the ad valorem property tax levy limits imposed by
 5 section 3 of this chapter and first due and payable after December 31,
 6 2008, may not increase annually by a percentage greater than the result
 7 of:

8 (1) the assessed value growth quotient determined under section
 9 2 of this chapter; minus

10 (2) one (1).

11 (b) The department of local government finance may, under this
 12 subsection, increase the maximum permissible ad valorem property tax
 13 levy that would otherwise apply to a civil taxing unit under section 3
 14 of this chapter to meet the civil taxing unit's obligations to a fire
 15 protection territory established under IC 36-8-19. To obtain an increase
 16 in the civil taxing unit's maximum permissible ad valorem property tax
 17 levy, a civil taxing unit shall submit a petition to the department of
 18 local government finance in the year immediately preceding the first
 19 year in which the civil taxing unit levies a tax to support the fire
 20 protection territory. The petition must be filed before the date specified
 21 in section 12(a)(1) of this chapter of that year. The department of local
 22 government finance shall make a final determination of the civil taxing
 23 unit's budget, ad valorem property tax levy, and property tax rate for the
 24 fire protection territory for the ensuing calendar year. In making its
 25 determination under this subsection, the department of local
 26 government finance shall consider the amount that the civil taxing unit
 27 is obligated to provide to meet the expenses of operation and
 28 maintenance of the fire protection services within the territory,
 29 including the participating unit's reasonable share of an operating
 30 balance for the fire protection territory. The department of local
 31 government finance shall determine the entire amount of the allowable
 32 adjustment in the final determination. The department shall order the
 33 **allowable adjustment determined by the department to be**
 34 implemented:

35 (1) in the amounts; and

36 (2) over the number of years, not exceeding three (3) **years;**

37 requested by the petitioning civil taxing unit. However, the department
 38 of local government finance may not approve under this subsection a
 39 property tax levy greater than zero (0) if the civil taxing unit did not
 40 exist as of the assessment date for which the tax levy will be imposed.
 41 For purposes of applying this subsection to the civil taxing unit's
 42 maximum permissible ad valorem property tax levy in subsequent



1 calendar years, the department of local government finance may
 2 determine not to consider part or all of the part of the property tax levy
 3 imposed to establish the operating balance of the fire protection
 4 territory.

5 SECTION 3. IC 6-1.1-18.5-13, AS AMENDED BY THE
 6 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 7 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 13. (a) With respect to an appeal filed under
 9 section 12 of this chapter, the department may find that a civil taxing
 10 unit should receive any one (1) or more of the following types of relief:

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

- 24 (A) The first calendar year in which those costs are incurred.
 25 (B) One (1) or more of the immediately succeeding four (4)
 26 calendar years.

27 (2) Permission to the civil taxing unit to increase its levy in excess
 28 of the limitations established under section 3 of this chapter, if the
 29 department finds that the quotient determined under STEP SIX of
 30 the following formula is equal to or greater than one and
 31 two-hundredths (1.02):

32 STEP ONE: Determine the three (3) calendar years that most
 33 immediately precede the ensuing calendar year. ~~and in which~~
 34 ~~a statewide general reassessment of real property under~~
 35 ~~IC 6-1.1-4-4 does not first become effective.~~

36 STEP TWO: Compute separately, for each of the calendar
 37 years determined in STEP ONE, the quotient (rounded to the
 38 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 39 unit's total assessed value of all taxable property and:

- 40 (i) for a particular calendar year before 2007, the total
 41 assessed value of property tax deductions in the unit under
 42 IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular



1 calendar year; or
 2 (ii) for a particular calendar year after 2006, the total
 3 assessed value of property tax deductions that applied in the
 4 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 5 calendar year after 2009, the total assessed value of property
 6 tax deductions that applied in the unit under
 7 IC 6-1.1-12-37.5 in 2008;
 8 divided by the sum determined under this STEP for the
 9 calendar year immediately preceding the particular calendar
 10 year.
 11 STEP THREE: Divide the sum of the three (3) quotients
 12 computed in STEP TWO by three (3).
 13 STEP FOUR: Compute separately, for each of the calendar
 14 years determined in STEP ONE, the quotient (rounded to the
 15 nearest ten-thousandth (0.0001)) of the sum of the total
 16 assessed value of all taxable property in all counties and:
 17 (i) for a particular calendar year before 2007, the total
 18 assessed value of property tax deductions in all counties
 19 under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the
 20 particular calendar year; or
 21 (ii) for a particular calendar year after 2006, the total
 22 assessed value of property tax deductions that applied in all
 23 counties under IC 6-1.1-12-42 in 2006 plus for a particular
 24 calendar year after 2009, the total assessed value of property
 25 tax deductions that applied in the unit under
 26 IC 6-1.1-12-37.5 in 2008;
 27 divided by the sum determined under this STEP for the
 28 calendar year immediately preceding the particular calendar
 29 year.
 30 STEP FIVE: Divide the sum of the three (3) quotients
 31 computed in STEP FOUR by three (3).
 32 STEP SIX: Divide the STEP THREE amount by the STEP
 33 FIVE amount.
 34 The civil taxing unit may increase its levy by a percentage not
 35 greater than the percentage by which the STEP THREE amount
 36 exceeds the percentage by which the civil taxing unit may
 37 increase its levy under section 3 of this chapter based on the
 38 assessed value growth quotient determined under section 2 of this
 39 chapter.
 40 (3) A levy increase may be granted under this subdivision only for
 41 property taxes first due and payable after December 31, 2008.
 42 Permission to a civil taxing unit to increase its levy in excess of



1 the limitations established under section 3 of this chapter if the
 2 civil taxing unit cannot carry out its governmental functions for
 3 an ensuing calendar year under the levy limitations imposed by
 4 section 3 of this chapter due to a natural disaster, an accident, or
 5 another unanticipated emergency.

6 **(4) Permission for a township to increase the township's levy**
 7 **in excess of the limitations established under section 3 of this**
 8 **chapter if the department finds that the township needs the**
 9 **increase to meet the costs of providing township assistance**
 10 **under IC 12-20 and IC 12-30-4. The maximum increase that**
 11 **the department may authorize for a township for a particular**
 12 **calendar year is the levy that would result from an increase in**
 13 **the township's township assistance ad valorem property tax**
 14 **rate of two cents (\$0.02) per one hundred dollars (\$100) of**
 15 **assessed valuation.**

16 (b) The department of local government finance shall increase the
 17 maximum permissible ad valorem property tax levy under section 3 of
 18 this chapter for the city of Goshen for 2012 and thereafter by an
 19 amount equal to the greater of zero (0) or the result of:

20 (1) the city's total pension costs in 2009 for the 1925 police
 21 pension fund (IC 36-8-6) and the 1937 firefighters' pension fund
 22 (IC 36-8-7); minus

23 (2) the sum of:

24 (A) the total amount of state funds received in 2009 by the city
 25 and used to pay benefits to members of the 1925 police
 26 pension fund (IC 36-8-6) or the 1937 firefighters' pension fund
 27 (IC 36-8-7); plus

28 (B) any previous permanent increases to the city's levy that
 29 were authorized to account for the transfer to the state of the
 30 responsibility to pay benefits to members of the 1925 police
 31 pension fund (IC 36-8-6) and the 1937 firefighters' pension
 32 fund (IC 36-8-7).

33 SECTION 4. IC 6-1.1-18.5-27 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 27. The department of local**
 36 **government finance shall increase the maximum permissible ad**
 37 **valorem property tax levy under section 3 of this chapter for a**
 38 **township's firefighting fund under IC 36-8-13-4 for 2020 and**
 39 **thereafter if:**

40 (1) the township imposed a debt service levy in 2019 to pay
 41 amounts borrowed under IC 36-6-6-14 to furnish fire
 42 protection for the township or a part of the township; and



1 **(2) the township executive before August 1, 2019, submits a**
 2 **petition to the department of local government finance, on a**
 3 **form prescribed by the department, requesting the increase.**
 4 **The amount of the increase under this section in the township's**
 5 **maximum permissible ad valorem property tax levy under section**
 6 **3 of this chapter for the township's firefighting fund is equal to the**
 7 **total amount of the principal that will be due in 2020 on amounts**
 8 **borrowed by the township under IC 36-6-6-14 to furnish fire**
 9 **protection for the township or a part of the township.**

10 SECTION 5. IC 12-7-2-24.9 IS REPEALED [EFFECTIVE JULY
 11 1, 2018]. Sec. 24.9: "Case contact", for purposes of IC 12-20-28-3, has
 12 the meaning set forth in IC 12-20-28-3(b).

13 SECTION 6. IC 12-7-2-192.3 IS REPEALED [EFFECTIVE JULY
 14 1, 2018]. Sec. 192.3: "Total number of households containing township
 15 assistance recipients", for purposes of IC 12-20-28-3, has the meaning
 16 set forth in IC 12-20-28-3(c).

17 SECTION 7. IC 12-7-2-192.4, AS AMENDED BY P.L.180-2005,
 18 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2018]: Sec. 192.4. "Total number of recipients", for purposes
 20 of IC 12-20-28-3, has the meaning set forth in IC 12-20-28-3(d).
 21 **IC 12-20-28-3(a).**

22 SECTION 8. IC 12-7-2-192.5 IS REPEALED [EFFECTIVE JULY
 23 1, 2018]. Sec. 192.5: "Total number of requests for assistance", for
 24 purposes of IC 12-20-28-3, has the meaning set forth in
 25 IC 12-20-28-3(e).

26 SECTION 9. IC 12-20-15-1, AS AMENDED BY P.L.73-2005,
 27 SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2018]: Sec. 1. **(a)** If an applicant for or recipient of township
 29 assistance is not satisfied with the decision of the township trustee, as
 30 administrator of township assistance, the applicant or recipient may
 31 appeal to the board of commissioners.

32 **(b) If an applicant:**

33 **(1) requests a township assistance application and the**
 34 **township trustee refuses to provide the application; or**
 35 **(2) makes a telephone inquiry for township assistance services**
 36 **and at least twenty-four (24) hours elapse after the inquiry is**
 37 **made, excluding Saturdays, Sundays, and legal holidays;**
 38 **a denial of township assistance by the township trustee occurs. The**
 39 **applicant may appeal the denial to the board of commissioners**
 40 **under this chapter.**

41 SECTION 10. IC 12-20-15-2, AS AMENDED BY P.L.73-2005,
 42 SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2018]: Sec. 2. An applicant for township assistance must file
2 the applicant's appeal not more than fifteen (15) days from:

3 (1) the date of issuance by the township trustee of adequate
4 written notice of the denial of township assistance as provided by
5 IC 12-20-6-8;

6 (2) **the date on which the township trustee refuses to provide**
7 **an application, in the case of a denial under section 1(b)(1) of**
8 **this chapter; or**

9 (3) **the date on which the denial occurs under section 1(b)(2)**
10 **of this chapter.**

11 An appeal must be made in writing or orally as required by the board
12 of commissioners.

13 SECTION 11. IC 12-20-15-4, AS AMENDED BY P.L.73-2005,
14 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2018]: Sec. 4. (a) In hearing an appeal, the board of
16 commissioners and a hearing officer shall:

17 (1) review and consider any report or investigative documents the
18 trustee prepared before making the appealed decision; and

19 (2) be governed by the township's township assistance standards
20 for determining eligibility to the extent that the standards comply
21 with existing law for the granting of township assistance. If no
22 legally sufficient standards have been established, the board of
23 commissioners and the hearing officer shall be guided by the
24 circumstances in each case.

25 (b) The board of commissioners shall remand a case to a trustee for
26 further proceedings if:

27 (1) new evidence was presented by the applicant to the board of
28 commissioners; and

29 (2) the board of commissioners determines that the new evidence
30 presented would have made the individual eligible for assistance.

31 **(c) The board of commissioners shall remand a case to a trustee**
32 **for further proceedings if the board of commissioners determines**
33 **that a denial occurred under section 1(b) of this chapter.**

34 ~~(c)~~ (d) If a case is remanded to a trustee, the trustee shall issue a
35 new determination of eligibility not later than seventy-two (72) hours
36 after receiving the written decision remanding the case, excluding
37 weekends and legal holidays listed in IC 1-1-9.

38 SECTION 12. IC 12-20-28-3, AS AMENDED BY P.L.1-2009,
39 SECTION 106, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2018]: Sec. 3. ~~(a) The definitions in this section~~
41 ~~apply to a report that is required to be filed under this section.~~

42 (b) As used in this section, "case contact" means any act of service



1 in which a township employee has reason to enter a comment or
 2 narrative into the record of an application for township assistance
 3 under this article regardless of whether the applicant receives or does
 4 not receive township assistance funds.

5 (c) As used in this section, "total number of households containing
 6 township assistance recipients" means the sum to be determined by
 7 counting the total number of individuals who file an application for
 8 which assistance is granted. A household may be counted only once
 9 during a calendar year regardless of the number of times assistance is
 10 provided if the same individual makes the application for assistance.

11 (d) (a) As used in this section, "total number of recipients" means
 12 the number of individuals who are members of a household that
 13 receives assistance on at least one (1) occasion during the calendar
 14 year. An individual may be counted only one (1) time during a calendar
 15 year regardless of the:

- 16 (1) number of times assistance is provided; or
- 17 (2) number of households in which the individual resides during
 18 a particular year.

19 (e) As used in this section, "total number of requests for assistance"
 20 means the number of times an individual or a household separately
 21 requests any type of township assistance.

22 (f) (b) The township trustee shall file an annual statistical report on
 23 township housing; medical care; utility assistance; food assistance;
 24 burial assistance; food pantry assistance; services related to
 25 representative payee programs; services related to special
 26 nontraditional programs; and case management services with the state
 27 board of accounts. The township trustee shall provide a copy of the
 28 annual statistical report to the county auditor. The county auditor shall
 29 keep the copy of the report in the county auditor's office. Except as
 30 provided in subsection (k); (h), the report must be made on a form
 31 provided by the state board of accounts. The report must contain the
 32 following information:

- 33 (1) The total number of requests for assistance.
- 34 (2) The total number of each of the following:
 - 35 (A) Recipients of township assistance.
 - 36 (B) Households containing recipients of township assistance.
 - 37 (C) Case contacts made with or on behalf of:
 - 38 (i) recipients of township assistance; or
 - 39 (ii) members of a household receiving township assistance.
 - 40 (3) The total value of benefits provided to recipients of township
 41 assistance.
 - 42 (4) The total value of benefits provided through the efforts of



- 1 township staff from sources other than township funds:
 2 (5) The total number of each of the following:
 3 (A) Recipients of township assistance and households
 4 receiving utility assistance.
 5 (B) Recipients assisted by township staff in receiving utility
 6 assistance from sources other than township funds:
 7 (6) The total value of benefits provided for the payment of
 8 utilities, including the value of benefits of utility assistance
 9 provided through the efforts of township staff from sources other
 10 than township funds:
 11 (7) The total number of each of the following:
 12 (A) Recipients of township assistance and households
 13 receiving housing assistance.
 14 (B) Recipients assisted by township staff in receiving housing
 15 assistance from sources other than township funds:
 16 (8) The total value of benefits provided for housing assistance;
 17 including the value of benefits of housing assistance provided
 18 through the efforts of township staff from sources other than
 19 township funds:
 20 (9) The total number of each of the following:
 21 (A) Recipients of township assistance and households
 22 receiving food assistance.
 23 (B) Recipients assisted by township staff in receiving food
 24 assistance from sources other than township funds:
 25 (10) The total value of food assistance provided, including the
 26 value of food assistance provided through the efforts of township
 27 staff from sources other than township funds:
 28 (11) The total number of each of the following:
 29 (A) Recipients of township assistance and households
 30 provided health care.
 31 (B) Recipients assisted by township staff in receiving health
 32 care assistance from sources other than township funds:
 33 (12) The total value of health care provided, including the value
 34 of health care assistance provided through the efforts of township
 35 staff from sources other than township funds:
 36 (13) The total number of funerals, burials, and cremations.
 37 (14) The total value of funerals, burials, and cremations, including
 38 the difference between the:
 39 (A) actual value of the funerals, burials, and cremations; and
 40 (B) amount paid by the township for the funerals, burials, and
 41 cremations.
 42 (15) The total of each of the following:



- 1 (A) Number of nights of emergency shelter provided to the
- 2 homeless:
- 3 (B) Number of nights of emergency shelter provided to
- 4 homeless individuals through the efforts of township staff from
- 5 sources other than township funds.
- 6 (C) Value of the nights of emergency shelter provided to
- 7 homeless individuals by the township and the value of the
- 8 nights of emergency shelter provided through the efforts of the
- 9 township staff from sources other than township funds.
- 10 (16) The total of each of the following:
- 11 (A) Number of referrals of township assistance applicants to
- 12 other programs:
- 13 (B) Value of the services provided by the township in making
- 14 referrals to other programs:
- 15 (17) The total number of training programs or job placements
- 16 found for recipients of township assistance with the assistance of
- 17 the township trustee:
- 18 (18) The number of hours spent by recipients of township
- 19 assistance at workfare:
- 20 (19) The total value of the services provided by workfare to the
- 21 township and other agencies:
- 22 (20) The total amount of reimbursement for assistance received
- 23 from:
- 24 (A) recipients;
- 25 (B) members of recipients' households; or
- 26 (C) recipients' estates;
- 27 under IC 12-20-6-10, IC 12-20-27-1, or IC 12-20-27-1.5.
- 28 (21) The total amount of reimbursement for assistance received
- 29 from medical programs under IC 12-20-16-2(c):
- 30 (22) The total of each of the following:
- 31 (A) Number of individuals assisted through a representative
- 32 payee program:
- 33 (B) Amount of funds processed through the representative
- 34 payee program that are not township funds:
- 35 (23) The total of each of the following:
- 36 (A) Number of individuals assisted through special
- 37 nontraditional programs provided through the township
- 38 without the expenditure of township funds.
- 39 (B) Amount of funds used to provide the special nontraditional
- 40 programs that are not township funds:
- 41 (24) The total of each of the following:
- 42 (A) Number of hours an investigator of township assistance



1 spends providing case management services to a recipient of
 2 township assistance or a member of a household receiving
 3 township assistance.
 4 (B) Value of the case management services provided:
 5 (25) The total number of housing inspections performed by the
 6 township.
 7 If the total number or value of any item required to be reported under
 8 this subsection is zero (0), the township trustee shall include the
 9 notation "0" in the report where the total number or value is required
 10 to be reported.
 11 (c) **The state board of accounts shall determine the information**
 12 **that must be included by the township trustee in the annual**
 13 **statistical report. However, the state board of accounts must**
 14 **require the township trustee to provide:**
 15 (1) **information regarding the total number of recipients of**
 16 **township assistance and the total dollar amount of benefits**
 17 **provided; and**
 18 (2) **any other information required by:**
 19 (A) **the division of family resources; and**
 20 (B) **the department;**
 21 **to comply with any reporting requirements under federal law.**
 22 (g) (d) The state board of accounts shall compare and compile all
 23 data reported by townships under subsection (f) **this section** into a
 24 statewide statistical report. The department shall summarize the data
 25 compiled by the state board of accounts that relate to the fixing of
 26 township budgets, levies, and tax rates and shall include the
 27 department's summary within the statewide statistical report prepared
 28 under this subsection. Before July 1 of each year, the state board of
 29 accounts shall file the statewide statistical report prepared under this
 30 subsection with the executive director of the legislative services agency
 31 in an electronic format under IC 5-14-6.
 32 (h) (e) The state board of accounts shall forward a copy of:
 33 (1) each annual report forwarded to the board by townships under
 34 subsection (f); **this section**; and
 35 (2) the statewide statistical report; **under subsection (g)**;
 36 to the department and the division of family resources.
 37 (i) (f) The division of family resources shall include in the division's
 38 periodic reports made to the United States Department of Health and
 39 Human Services concerning the Temporary Assistance for Needy
 40 Families (TANF) and Supplemental Security Income (SSI) programs
 41 information forwarded to the division under subsection (h) **this section**
 42 concerning the total number of recipients of township assistance and



1 the total dollar amount of benefits provided.

2 ~~(f)~~ **(g)** The department may not approve the budget of a township
3 trustee who fails to file an annual report under ~~subsection (f)~~ **this**
4 **section** in the preceding calendar year.

5 ~~(h)~~ **(h)** This section does not prevent the electronic transfer of data
6 required to be reported under IC 12-2-1-40 (before its repeal) or this
7 section if the following conditions are met:

8 (1) The method of reporting is acceptable to both the township
9 trustee reporting the information and the governmental entity to
10 which the information is reported.

11 (2) A written copy of information reported by electronic transfer
12 is on file with the township trustee reporting information by
13 electronic means.

14 ~~(i)~~ **(i)** The information required to be reported by the township
15 trustee under this section shall be maintained by the township trustee
16 in accordance with IC 5-15-6.

17 SECTION 13. IC 36-6-1.5-4.1 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2018]: **Sec. 4.1. (a) As used in this section,**
20 **"small township" means a township that has a population of less**
21 **than one thousand two hundred (1,200), as determined by the 2010**
22 **federal decennial census.**

23 **(b) A township government of a small township shall merge with**
24 **the township government of one (1) or more other townships. The**
25 **townships shall adopt identical resolutions and a merger plan**
26 **under section 5 of this chapter. The new township that results from**
27 **the merger must have a population of more than one thousand two**
28 **hundred (1,200), as determined by the 2010 federal decennial**
29 **census.**

30 **(c) With regard to a merger under this section, the population**
31 **of a township is the population of the township as determined by**
32 **the 2010 federal decennial census. A township's population as**
33 **determined by the 2020 federal decennial census, a federal special**
34 **census, a special tabulation, or a corrected population count does**
35 **not apply to a merger under this section.**

36 **(d) If a small township and one (1) or more other townships fail**
37 **to mutually approve identical merger resolutions under section 5**
38 **of this chapter not later than July 1, 2020, the department of local**
39 **government finance shall conduct a survey of townships contiguous**
40 **to the small township to determine which townships are amenable**
41 **to merge with the small township.**

42 **(e) The department of local government finance shall report the**



1 survey results to the small township and the township contiguous
 2 to the small township that has the largest population. If a small
 3 township and one (1) or more other townships fail to mutually
 4 approve identical merger resolutions under section 5 of this
 5 chapter on or before January 1, 2021, the small township shall
 6 automatically merge with the township contiguous to the small
 7 township that has the largest population. The townships shall
 8 prepare identical resolutions under section 5 of this chapter. The
 9 department of local government finance shall provide assistance as
 10 set forth in subsection (f).

11 (f) The department of local government finance shall work with
 12 and assist any township in preparing a merger plan regarding the
 13 transfer of property, indebtedness, and functions to the new
 14 township government.

15 (g) The merger takes effect on the earlier of the following:

16 (1) If an effective date for the merger is agreed upon by the
 17 townships, the date that is specified in the resolutions.

18 (2) January 1, 2023.

19 If the effective date of the merger is January 1, 2023, the trustee
 20 and township board members of the new township government
 21 shall be elected in the 2022 general election.

22 (h) If the effective date of the merger is earlier than January 1,
 23 2023, the resolutions must specify:

24 (1) the name of the township trustee of the former townships
 25 who shall serve as the township executive;

26 (2) the option agreed upon by the merging townships
 27 regarding the township legislative body under IC 36-6-6-2.3;
 28 and

29 (3) the names of the township board members who shall serve
 30 as the township legislative body;

31 of the new township for the period after the merger becomes
 32 effective and until January 1 of the year following the next general
 33 election in which the township trustee and township board
 34 members of the new township are elected.

35 SECTION 14. IC 36-6-1.5-4.2 IS ADDED TO THE INDIANA
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2018]: Sec. 4.2. Before adopting a resolution
 38 under section 5 of this chapter, the township trustee of the
 39 proposed new township government may submit a copy of the
 40 resolution, including any proposed incorporated merger plan, to
 41 the department of local government finance for a nonbinding
 42 review. The resolution and plan must contain the following:



1 **(1) Details regarding the transfer of property, indebtedness,**
 2 **and functions from each former township government to the**
 3 **new township government.**

4 **(2) The information required under section 12 of this chapter.**

5 **(3) The option proposed by the merging townships regarding**
 6 **the township legislative body of the new township government**
 7 **under IC 36-6-6-2.3.**

8 **(4) The name of the new township agreed upon by the**
 9 **merging townships.**

10 **(5) The names of the current township board members and**
 11 **township trustee who will serve in the offices for the new**
 12 **township government until the next election.**

13 **The department shall review and make comments on the resolution**
 14 **and merger agreement that the department considers appropriate.**

15 SECTION 15. IC 36-6-1.5-5, AS AMENDED BY P.L.255-2013,
 16 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2018]: Sec. 5. (a) The township trustees, with the approval of
 18 a majority of the members of the township legislative body of each
 19 township that ~~wants to merge~~ **proposes to merge** township
 20 governments under this chapter, must comply with this section.

21 (b) The township trustees must present identical resolutions
 22 approving the township government merger **that incorporate the**
 23 **merger plan agreed upon by the merging townships** to the trustees'
 24 respective township legislative bodies. A township legislative body
 25 may adopt a resolution under this chapter only after the legislative body
 26 has held a public hearing concerning the proposed merger. The
 27 township legislative body shall hold the hearing not earlier than thirty
 28 (30) days after the date the resolution is introduced. The hearing shall
 29 be conducted in accordance with IC 5-14-1.5 and notice of the hearing
 30 shall be published in accordance with IC 5-3-1.

31 (c) The township legislative bodies may adopt the identical
 32 resolutions approving the township government merger **that**
 33 **incorporate the merger plan agreed upon by the merging**
 34 **townships** under this chapter not later than ninety (90) days after the
 35 legislative body has held the public hearing under subsection (b).

36 (d) The trustees of the participating townships shall jointly file a
 37 copy of the identical resolutions with:

38 (1) the department of local government finance;

39 (2) the circuit court clerk; and

40 (3) the office of the secretary of state.

41 (e) **This subsection does not apply to a merger under section 4.1**
 42 **of this chapter.** A township legislative body may not adopt a resolution



1 ordering a merger after January 1 of a year in which:

- 2 (1) a general election is held; and
 3 (2) a township trustee is elected.

4 (f) A merger under this chapter may reduce the term of a township
 5 trustee of a former township government.

6 SECTION 16. IC 36-6-1.5-8, AS ADDED BY P.L.240-2005,
 7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2018]: Sec. 8. **(a) This subsection does not apply to a
 9 merger under section 4.1 of this chapter.** On the date a merger takes
 10 effect, **the following occur:**

11 (1) The former township governments are abolished as separate
 12 entities.

13 (2) Each township subject to the merger retains its geographical
 14 boundaries and its name.

15 (3) The territory of the new township government includes all the
 16 territory that comprised the territories of the former township
 17 governments before the merger.

18 (4) The agencies of the former township governments are
 19 abolished.

20 (5) The functions of the abolished agencies are assigned to
 21 agencies of the new township government.

22 (6) The:

- 23 (A) property;
 24 (B) records;
 25 (C) personnel;
 26 (D) rights; and
 27 (E) liabilities;

28 related to the functions of the abolished agencies are assigned to
 29 agencies of the new township government. ~~and~~

30 (7) Any bonds and other indebtedness of, or assumed by, the
 31 former township governments are transferred to the new township
 32 government.

33 **(b) This subsection applies only to a merger under section 4.1 of
 34 this chapter. On the date the merger takes effect under section
 35 4.1(g) of this chapter, the following occur:**

36 **(1) The agencies of the former township governments are
 37 abolished.**

38 **(2) The geographical boundary of the new township includes
 39 all the territory of the townships that merged to form the new
 40 township.**

41 **(3) The name of the new township is the name agreed upon by
 42 the merging townships.**



1 **(4) The territory of the new township government includes all**
 2 **the territory that comprised the territories of the former**
 3 **township governments before the merger.**

4 **(5) The functions of the abolished agencies are assigned to**
 5 **agencies of the new township government as set forth in the**
 6 **resolutions and merger plan adopted by the merging**
 7 **townships.**

8 **(6) The:**

9 **(A) property;**

10 **(B) records;**

11 **(C) personnel;**

12 **(D) rights; and**

13 **(E) liabilities;**

14 **related to the functions of the abolished agencies are assigned**
 15 **to agencies of the new township government as set forth in the**
 16 **resolutions and merger plan adopted by the merging**
 17 **townships.**

18 **(7) Subject to subsection (c), any bonds and other**
 19 **indebtedness of, or assumed by, the former township**
 20 **governments are transferred to the new township**
 21 **government.**

22 **(c) This subsection applies only to a merger under section 4.1 of**
 23 **this chapter. The new township government may levy property**
 24 **taxes to pay township indebtedness or lease rental obligations**
 25 **incurred by a former township only in the geographic area of the**
 26 **former township that originally issued the debt or entered into the**
 27 **lease rental agreement. The territory of the former township**
 28 **comprises a taxing district for the payment of township**
 29 **indebtedness or lease rental obligations existing at the time of the**
 30 **merger. Once the indebtedness or obligation is paid, the taxing**
 31 **district is abolished. Notwithstanding any other law, to assume,**
 32 **defease, pay, or refund all or a part of the indebtedness or lease**
 33 **rental obligations described in this subsection, the former township**
 34 **is not required to comply with any other statutory procedures or**
 35 **approvals that apply when a unit incurs indebtedness or lease**
 36 **rental obligations.**

37 SECTION 17. IC 36-6-1.5-9, AS ADDED BY P.L.240-2005,
 38 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2018]: Sec. 9. **(a)** Upon the corporate dissolution of a
 40 township government under this article, the following apply for
 41 purposes of all state and federal licensing and regulatory laws, statutory
 42 entitlements, gifts, grants-in-aid, governmental loans, or other



1 governmental assistance under state or federal statutes, rules, or
2 regulations:

3 (1) The entire geographic area and population of a new township
4 government that is established under this chapter shall be used
5 when calculating and determining the distribution basis for the
6 following:

7 (A) State or federal government statutory entitlements.

8 (B) Gifts.

9 (C) Grants-in-aid.

10 (D) Loans.

11 (E) Any form of governmental assistance that is not listed in
12 this subdivision.

13 (2) Following a public hearing for which notice is published in
14 accordance with IC 5-3-1 at least thirty (30) days before the
15 public hearing takes place, the executive of a new township
16 government that is established under this chapter shall determine
17 and designate to the appropriate state or federal agency the:

18 (A) geographic areas;

19 (B) parts of roads;

20 (C) segments of population; or

21 (D) combinations of the items listed in clauses (A) through
22 (C);

23 that constitute rural or urban areas, roads, or populations, if this
24 designation was previously required of any township that merges
25 under this chapter.

26 **(b) This subsection applies only to a merger under section 4.1 of
27 this chapter. Except as otherwise provided in any other:**

28 **(1) state and federal licensing and regulatory law;**

29 **(2) statutory entitlement; or**

30 **(3) gifts, grants-in-aid, governmental loans, or other
31 governmental assistance under state or federal statutes, rules,
32 or regulation;**

33 **applicable to a new township government, the population of the
34 new township government is the sum of the populations of the
35 merging townships, as determined by the 2010 federal decennial
36 census.**

37 SECTION 18. IC 36-6-1.5-12, AS AMENDED BY P.L.255-2013,
38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2018]: Sec. 12. (a) Subject to subsection (b), the officers of
40 the new township government shall:

41 (1) obtain from the department of local government finance
42 approval under IC 6-1.1-18.5-7, **notwithstanding the fact that**



1 **the new township may not have existed as of January 1 of the**
 2 **preceding year, of:**
 3 (A) a budget;
 4 (B) an ad valorem property tax levy; and
 5 (C) a property tax rate;
 6 (2) fix the annual budget under IC 6-1.1-17;
 7 (3) impose a property tax levy; and
 8 (4) take any action necessary to ensure the collection of fees and
 9 other revenue;
 10 for the new township government for the budget year following the
 11 year the officers take office.
 12 (b) The resolutions approving the township government merger
 13 under this chapter must specify the amount (if any) of the decrease that
 14 the department of local government finance shall make to the
 15 maximum permissible property tax levies, maximum permissible
 16 property tax rates, and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of
 17 the new township to:
 18 (1) eliminate double taxation for services or goods provided by
 19 the new township; or
 20 (2) eliminate any excess by which the amount of property taxes
 21 imposed by the new township exceeds the amount necessary to
 22 pay for services or goods provided under this article.
 23 (c) The fiscal body of the new township shall determine and certify
 24 to the department of local government finance the amount of the
 25 adjustment (if any) under subsection (b). The amount of the adjustment
 26 (if any) to be made under subsection (b) must comply with the
 27 resolutions approving the township government merger.
 28 SECTION 19. IC 36-6-1.5-13 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2018]: **Sec. 13. (a) This section applies only**
 31 **to a township that:**
 32 **(1) contains seminary land; and**
 33 **(2) merges with another township under this chapter.**
 34 **(b) As used in this section, "seminary land" means land**
 35 **dedicated to the inhabitants of a township by the Northwest**
 36 **Territory Ordinance of 1787 for educational purposes.**
 37 **(c) Notwithstanding any other provision of this chapter, after**
 38 **the effective date of a merger under this chapter, the township**
 39 **trustee of the new township shall do the following:**
 40 **(1) Maintain the seminary lands school account under**
 41 **IC 20-42-3.**
 42 **(2) Increase the township trustee's required bond in the**



1 amount set forth in IC 20-42-3-11.

2 (3) Pay the annual rental received from seminary lands and
3 the interest from the lease or sale of seminary lands only to
4 the school corporations within the geographic boundaries of
5 the former township where the seminary lands are located as
6 set forth in IC 20-42-3-9.

7 (4) Perform any other duty or obligation of the township
8 trustee under IC 20-42-3.

9 (d) Only the school property tax obligations of the owners of
10 land within the geographic boundaries of the former township
11 where the seminary lands are located shall:

12 (1) be credited on their school property tax obligations on a
13 pro rata basis by the amount of the payment under subsection
14 (c)(3); and

15 (2) have their property tax obligations reduced each year on
16 a pro rata basis by the amount of the payment as set forth in
17 IC 20-42-3-9.

18 (e) As set forth in IC 20-42-3-10, the trustee of the new
19 township, with the advice and consent of the township board of the
20 new township, shall use the seminary lands school account only for
21 the educational purposes and for the benefit of the residents within
22 the geographic boundaries of the former township.

23 SECTION 20. IC 36-6-1.6-2.5 IS ADDED TO THE INDIANA
24 CODE AS A NEW SECTION TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2018]: **Sec. 2.5. This chapter does not apply**
26 **to townships that merge under IC 36-6-1.5-4.1.**

27 SECTION 21. IC 36-6-6-2.1, AS ADDED BY P.L.240-2005,
28 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2018]: Sec. 2.1. (a) **Except as provided in subsection (b),**
30 this section applies if township governments merge under IC 36-6-1.5.

31 **(b) This section does not apply to township governments that**
32 **merge under IC 36-6-1.5-4.1.**

33 ~~(b)~~ (c) If two (2) township governments merge, the resulting merged
34 township government shall elect a three (3) member township board.
35 The voters of the resulting merged township government shall elect all
36 the members of the township board. ~~One (1) member must reside~~
37 ~~within the boundaries of each of the township governments that~~
38 ~~merged.~~

39 ~~(c)~~ (d) If at least three (3) township governments merge, the
40 resulting merged township government shall elect a township board
41 that has the same number of members as the number of township
42 governments that merged. The voters of the resulting merged township



1 shall elect all the members of the township board. ~~One (1)~~ township
 2 board member must reside within the boundaries of each of the
 3 townships that merged.

4 SECTION 22. IC 36-6-6-2.3 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2018]: Sec. 2.3. (a) This section applies only to township
 7 governments that merge under IC 36-6-1.5-4.1.

8 (b) The resolutions adopted by the merging townships under
 9 IC 36-6-1.5-5 must select one (1) of the following options regarding
 10 the township legislative body of the resulting merged township:

11 (1) The resolution may require that each member of the
 12 township legislative body may reside anywhere within the
 13 boundaries of the merged township. The resolution shall
 14 determine the number of members of the township legislative
 15 body as follows:

16 (A) If the resulting merged township has a population of
 17 fifty thousand (50,000) or less, as determined by the 2010
 18 federal decennial census, the merged township shall elect
 19 a three (3) member township legislative body. The voters
 20 of the resulting merged township government shall elect all
 21 the members of the township legislative body.

22 (B) If the resulting merged township has a population of
 23 more than fifty thousand (50,000), as determined by the
 24 2010 federal decennial census, the merged township may
 25 elect:

- 26 (i) a three (3) member township legislative body; or
- 27 (ii) a five (5) member township legislative body.

28 The voters of the resulting merged township government
 29 shall elect all the members of the township legislative body.

30 (2) The resolution may require one (1) member of the
 31 township legislative body to reside within the geographic area
 32 of each of the former townships that merged. The resulting
 33 merged township government shall elect a township legislative
 34 body that has the same number of members as the number of
 35 township governments that merged. The voters of the
 36 resulting merged township government shall elect all the
 37 members of the township legislative body.

38 SECTION 23. IC 36-6-6-3, AS AMENDED BY P.L.240-2005,
 39 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2018]: Sec. 3. (a) This subsection applies to townships in a
 41 county containing a consolidated city. One (1) member of the
 42 legislative body must reside within each legislative body district. If a



1 member of the legislative body ceases to be a resident of the district
2 from which the member was elected, the office becomes vacant.

3 (b) This subsection applies to townships not included in subsection
4 (a) or (c). A member of the legislative body must reside within the
5 township as provided in Article 6, Section 6 of the Constitution of the
6 State of Indiana. If a member of the legislative body ceases to be a
7 resident of the township, the office becomes vacant.

8 (c) This subsection applies to a township government that:

9 (1) is created by a merger of township governments under
10 IC 36-6-1.5; and

11 (2) elects a township board under section 2.1 of this chapter.

12 ~~One (1) member of the legislative body must reside within the~~
13 ~~boundaries of each of the former townships that merged. If a member~~
14 ~~of the legislative body ceases to be a resident of that former township,~~
15 ~~the office becomes vacant. The voters of the resulting merged~~
16 ~~township shall elect all members of the township board.~~

17 SECTION 24. IC 36-6-6-4, AS AMENDED BY P.L.266-2013,
18 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2018]: Sec. 4. (a) Except as provided in subsections (b) and
20 (c), two (2) members of the legislative body constitute a quorum.

21 (b) Before January 1, 2017, four (4) members of the legislative body
22 in a county containing a consolidated city constitute a quorum. After
23 December 31, 2016, three (3) members of the legislative body in a
24 county having a consolidated city constitute a quorum.

25 (c) This subsection applies to a township government that:

26 (1) is created by a merger of township governments under
27 IC 36-6-1.5; and

28 (2) elects a township board under section 2.1 **or 2.3** of this
29 chapter.

30 A majority of the members of the legislative body constitute a quorum.

31 **(d)** If a township board has an even number of members, the
32 township executive shall serve as an ex officio member of the township
33 board for the purpose of casting the deciding vote to break a tie.

34 SECTION 25. IC 36-6-6-10, AS AMENDED BY P.L.6-2013,
35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2018]: Sec. 10. (a) This section does not apply to the
37 appropriation of money to pay a deputy or an employee of a township
38 assessor with assessment duties or to an elected township assessor.

39 **(b) Subject to subsection (i)**, the township legislative body shall fix
40 the:

41 (1) salaries;

42 (2) wages;



1 (3) rates of hourly pay; and
 2 (4) remuneration other than statutory allowances;
 3 of all officers and employees of the township.

4 (c) Subject to subsection (d), the township legislative body may
 5 reduce the salary of an elected or appointed official. However, except
 6 as provided in ~~subsection (h)~~, **subsections (h) and (i)**, the official is
 7 entitled to a salary that is not less than the salary fixed for the first year
 8 of the term of office that immediately preceded the current term of
 9 office.

10 (d) Except as provided in subsection (h), the township legislative
 11 body may not alter the salaries of elected or appointed officers during
 12 the fiscal year for which they are fixed, but it may add or eliminate any
 13 other position and change the salary of any other employee, if the
 14 necessary funds and appropriations are available.

15 (e) **Subject to subsection (i)**, if a change in the mileage allowance
 16 paid to state officers and employees is established by July 1 of any
 17 year, that change shall be included in the compensation fixed for the
 18 township executive and assessor under this section, to take effect
 19 January 1 of the next year. However, the township legislative body may
 20 by ordinance provide for the change in the sum per mile to take effect
 21 before January 1 of the next year.

22 (f) The township legislative body may not reduce the salary of the
 23 township executive without the consent of the township executive
 24 during the term of office of the township executive as set forth in
 25 IC 36-6-4-2.

26 (g) This subsection applies when a township executive dies or
 27 resigns from office. **Subject to subsection (i)**, the person filling the
 28 vacancy of the township executive shall receive at least the same salary
 29 the previous township executive received for the remainder of the
 30 unexpired term of office of the township executive (as set forth in
 31 IC 36-6-4-2), unless the person consents to a reduction in salary.

32 (h) In a year in which there is not an election of members to the
 33 township legislative body, the township legislative body may vote to
 34 reduce the salaries of the members of the township legislative body by
 35 any amount.

36 **(i) The township legislative body may not approve a salary and**
 37 **per diem for a member of the township legislative body for**
 38 **calendar year 2019, and every year thereafter, that exceed the**
 39 **amounts set forth in this subsection. The township legislative body**
 40 **may pay each member of the township legislative body a**
 41 **reasonable amount for service as a member, not to exceed:**

42 (1) five thousand dollars (\$5,000) per year; and



- 1 **(2) per diem at a rate recommended by the township trustee**
 2 **and adopted by the township legislative body.**
 3 SECTION 26. IC 36-6-9 IS ADDED TO THE INDIANA CODE AS
 4 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 5 1, 2018]:
 6 **Chapter 9. Township Capital Improvement Plan**
 7 **Sec. 1. This chapter applies after December 31, 2018.**
 8 **Sec. 2. As used in this chapter, "capital improvement" means:**
 9 **(1) acquisition of land;**
 10 **(2) site improvements;**
 11 **(3) infrastructure improvements;**
 12 **(4) construction of buildings or structures;**
 13 **(5) rehabilitation, renovation, or enlargement of buildings or**
 14 **structures; or**
 15 **(6) acquisition or improvement of machinery, equipment,**
 16 **furnishings, or facilities.**
 17 **Sec. 3. As used in this chapter, "capital improvement fund"**
 18 **means a township fund the money in which may be used for the**
 19 **payment of capital improvements. The term includes:**
 20 **(1) the general fund;**
 21 **(2) the fire protection and emergency services fund under**
 22 **IC 36-8-13;**
 23 **(3) a cumulative firefighting building and equipment fund**
 24 **under IC 36-8-14;**
 25 **(4) an equipment replacement fund under IC 36-8-19-8.5;**
 26 **(5) a cumulative township vehicle and building fund under**
 27 **IC 36-9-17.5;**
 28 **(6) a cumulative building fund under IC 36-10-7.5-19;**
 29 **(7) a public park fund under IC 36-10-7-7; and**
 30 **(8) any other fund established by a township for the payment**
 31 **of capital improvements.**
 32 **Sec. 4. As used in this chapter, "plan" refers to a township**
 33 **capital improvement plan adopted or amended under this chapter.**
 34 **Sec. 5. This chapter applies to a township if the total amount of**
 35 **funds in a township's capital improvement funds exceeds one**
 36 **hundred fifty percent (150%) of the township's total annual budget**
 37 **estimate prepared under IC 6-1.1-17-2 for the ensuing year.**
 38 **Sec. 6. A township must adopt a capital improvement plan that**
 39 **meets the requirements of this chapter. The township trustee shall**
 40 **prepare the plan and the township board shall hold a public**
 41 **hearing on a proposed or amended plan before adoption of the**
 42 **plan.**



1 **Sec. 7. A township may not collect property taxes in the ensuing**
2 **year for a capital improvement fund described in section 3(3)**
3 **through 3(8) of this chapter, unless the township has adopted a**
4 **plan that meets the requirements of this chapter.**

5 **Sec. 8. (a) The department of local government finance shall**
6 **prescribe the format of a plan.**

7 **(b) A plan must:**

8 **(1) apply to at least the three (3) years immediately following**
9 **the year the plan is adopted;**

10 **(2) estimate for each year to which the plan applies the nature**
11 **and amount of proposed expenditures from each of the**
12 **township's capital improvement funds; and**

13 **(3) estimate:**

14 **(A) the source of all revenue to be dedicated to the**
15 **proposed expenditures in each of the three (3) calendar**
16 **years; and**

17 **(B) the amount of property taxes to be collected in each of**
18 **the three (3) calendar years and retained in the capital**
19 **improvement fund for expenditures proposed for a later**
20 **year.**

21 **Sec. 9. A township trustee, with the approval of the township**
22 **legislative body, may amend a plan to:**

23 **(1) provide money for the purposes of a capital improvement**
24 **fund; or**

25 **(2) supplement money accumulated in a capital improvement**
26 **fund for the purposes of the capital improvement fund.**

27 **Sec. 10. A plan shall be considered by:**

28 **(1) the county fiscal body in reviewing the township budget**
29 **under IC 6-1.1-17-3.6; and**

30 **(2) the department of local government finance when**
31 **reviewing a budget, tax rate, and tax levy of a township under**
32 **IC 6-1.1-17-16.**

33 **SECTION 27. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1005, 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:

Page 3, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-18.5-13, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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 relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, 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 of this chapter, 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. ~~and in which a statewide general reassessment of real property under IC 6-1.1-4-4 does not first become effective.~~

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 and:



(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

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 and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

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 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.



(3) 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 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

(4) Permission for a township to increase the township's levy in excess of the limitations established under section 3 of this chapter if the department finds that the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the department may authorize for a township for a particular calendar year is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of two cents (\$0.02) per one hundred dollars (\$100) of assessed valuation.

(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 4. IC 6-1.1-18.5-27 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 27. The department of local government finance shall increase the maximum permissible ad valorem property tax levy under section 3 of this chapter for a township's firefighting fund under IC 36-8-13-4 for 2020 and thereafter if:**



(1) the township imposed a debt service levy in 2019 to pay amounts borrowed under IC 36-6-6-14 to furnish fire protection for the township or a part of the township; and
 (2) the township executive before August 1, 2019, submits a petition to the department of local government finance, on a form prescribed by the department, requesting the increase.
 The amount of the increase under this section in the township's maximum permissible ad valorem property tax levy under section 3 of this chapter for the township's firefighting fund is equal to the total amount of the principal that will be due in 2020 on amounts borrowed by the township under IC 36-6-6-14 to furnish fire protection for the township or a part of the township."

Page 9, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 13. IC 36-6-1.5-4.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4.1. (a) As used in this section, "small township" means a township that has a population of less than one thousand two hundred (1,200), as determined by the 2010 federal decennial census.

(b) A township government of a small township shall merge with the township government of one (1) or more other townships. The townships shall adopt identical resolutions and a merger plan under section 5 of this chapter. The new township that results from the merger must have a population of more than one thousand two hundred (1,200), as determined by the 2010 federal decennial census.

(c) With regard to a merger under this section, the population of a township is the population of the township as determined by the 2010 federal decennial census. A township's population as determined by the 2020 federal decennial census, a federal special census, a special tabulation, or a corrected population count does not apply to a merger under this section.

(d) If a small township and one (1) or more other townships fail to mutually approve identical merger resolutions under section 5 of this chapter not later than July 1, 2020, the department of local government finance shall conduct a survey of townships contiguous to the small township to determine which townships are amenable to merge with the small township.

(e) The department of local government finance shall report the survey results to the small township and the township contiguous to the small township that has the largest population. If a small



township and one (1) or more other townships fail to mutually approve identical merger resolutions under section 5 of this chapter on or before January 1, 2021, the small township shall automatically merge with the township contiguous to the small township that has the largest population. The townships shall prepare identical resolutions under section 5 of this chapter. The department of local government finance shall provide assistance as set forth in subsection (f).

(f) The department of local government finance shall work with and assist any township in preparing a merger plan regarding the transfer of property, indebtedness, and functions to the new township government.

(g) The merger takes effect on the earlier of the following:

- (1) If an effective date for the merger is agreed upon by the townships, the date that is specified in the resolutions.
- (2) January 1, 2023.

If the effective date of the merger is January 1, 2023, the trustee and township board members of the new township government shall be elected in the 2022 general election.

(h) If the effective date of the merger is earlier than January 1, 2023, the resolutions must specify:

- (1) the name of the township trustee of the former townships who shall serve as the township executive;
- (2) the option agreed upon by the merging townships regarding the township legislative body under IC 36-6-6-2.3; and
- (3) the names of the township board members who shall serve as the township legislative body;

of the new township for the period after the merger becomes effective and until January 1 of the year following the next general election in which the township trustee and township board members of the new township are elected."

Page 10, delete lines 1 through 18.

Page 10, line 25, delete "agreement," and insert "**plan**,".

Page 10, line 26, delete "agreement" and insert "**plan**".

Page 10, delete lines 32 through 35, begin a new line block indented and insert:

"(3) The option proposed by the merging townships regarding the township legislative body of the new township government under IC 36-6-6-2.3.

(4) The name of the new township agreed upon by the merging townships."



Page 10, line 36, delete "(4)" and insert "(5)".

Page 11, line 1, delete "Except as provided in section 4.1 of this".

Page 11, line 2, delete "chapter and subject to section 4.2 of this chapter, the" and insert "The".

Page 11, line 4, strike "wants to merge" and insert "**proposes to merge**".

Page 11, line 8, after "merger" insert "**that incorporate the merger plan agreed upon by the merging townships**".

Page 11, line 17, after "merger" insert "**that incorporate the merger plan agreed upon by the merging townships**".

Page 11, line 34, after "(a)" insert "**This subsection does not apply to a merger under section 4.1 of this chapter.**".

Page 12, line 13, delete "This subdivision does not apply to a merger under section".

Page 12, line 14, delete "4.1 of this chapter.".

Page 12, delete lines 17 through 26, begin a new paragraph and insert:

"(b) This subsection applies only to a merger under section 4.1 of this chapter. On the date the merger takes effect under section 4.1(g) of this chapter, the following occur:

(1) The agencies of the former township governments are abolished.

(2) The geographical boundary of the new township includes all the territory of the townships that merged to form the new township.

(3) The name of the new township is the name agreed upon by the merging townships.

(4) The territory of the new township government includes all the territory that comprised the territories of the former township governments before the merger.

(5) The functions of the abolished agencies are assigned to agencies of the new township government as set forth in the resolutions and merger plan adopted by the merging townships.

(6) The:

(A) property;

(B) records;

(C) personnel;

(D) rights; and

(E) liabilities;

related to the functions of the abolished agencies are assigned to agencies of the new township government as set forth in the



resolutions and merger plan adopted by the merging townships.

(7) Subject to subsection (c), any bonds and other indebtedness of, or assumed by, the former township governments are transferred to the new township government."

Page 12, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 17. IC 36-6-1.5-9, AS ADDED BY P.L.240-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 9. **(a)** Upon the corporate dissolution of a township government under this article, the following apply for purposes of all state and federal licensing and regulatory laws, statutory entitlements, gifts, grants-in-aid, governmental loans, or other governmental assistance under state or federal statutes, rules, or regulations:

(1) The entire geographic area and population of a new township government that is established under this chapter shall be used when calculating and determining the distribution basis for the following:

- (A) State or federal government statutory entitlements.
- (B) Gifts.
- (C) Grants-in-aid.
- (D) Loans.
- (E) Any form of governmental assistance that is not listed in this subdivision.

(2) Following a public hearing for which notice is published in accordance with IC 5-3-1 at least thirty (30) days before the public hearing takes place, the executive of a new township government that is established under this chapter shall determine and designate to the appropriate state or federal agency the:

- (A) geographic areas;
- (B) parts of roads;
- (C) segments of population; or
- (D) combinations of the items listed in clauses (A) through (C);

that constitute rural or urban areas, roads, or populations, if this designation was previously required of any township that merges under this chapter.

(b) This subsection applies only to a merger under section 4.1 of this chapter. Except as otherwise provided in any other:

- (1) state and federal licensing and regulatory law;**
- (2) statutory entitlement; or**



(3) gifts, grants-in-aid, governmental loans, or other governmental assistance under state or federal statutes, rules, or regulation;

applicable to a new township government, the population of the new township government is the sum of the populations of the merging townships, as determined by the 2010 federal decennial census.

SECTION 18. IC 36-6-1.5-12, AS AMENDED BY P.L.255-2013, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 12. (a) Subject to subsection (b), the officers of the new township government shall:

(1) obtain from the department of local government finance approval under IC 6-1.1-18.5-7, **notwithstanding the fact that the new township may not have existed as of January 1 of the preceding year**, of:

- (A) a budget;
- (B) an ad valorem property tax levy; and
- (C) a property tax rate;

(2) fix the annual budget under IC 6-1.1-17;

(3) impose a property tax levy; and

(4) take any action necessary to ensure the collection of fees and other revenue;

for the new township government for the budget year following the year the officers take office.

(b) The resolutions approving the township government merger under this chapter must specify the amount (if any) of the decrease that the department of local government finance shall make to the maximum permissible property tax levies, maximum permissible property tax rates, and budgets under IC 6-1.1-17 and IC 6-1.1-18.5 of the new township to:

(1) eliminate double taxation for services or goods provided by the new township; or

(2) eliminate any excess by which the amount of property taxes imposed by the new township exceeds the amount necessary to pay for services or goods provided under this article.

(c) The fiscal body of the new township shall determine and certify to the department of local government finance the amount of the adjustment (if any) under subsection (b). The amount of the adjustment (if any) to be made under subsection (b) must comply with the resolutions approving the township government merger.

SECTION 19. IC 36-6-1.5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2018]: **Sec. 13. (a) This section applies only to a township that:**

- (1) contains seminary land; and**
- (2) merges with another township under this chapter.**

(b) As used in this section, "seminary land" means land dedicated to the inhabitants of a township by the Northwest Territory Ordinance of 1787 for educational purposes.

(c) Notwithstanding any other provision of this chapter, after the effective date of a merger under this chapter, the township trustee of the new township shall do the following:

- (1) Maintain the seminary lands school account under IC 20-42-3.**
- (2) Increase the township trustee's required bond in the amount set forth in IC 20-42-3-11.**
- (3) Pay the annual rental received from seminary lands and the interest from the lease or sale of seminary lands only to the school corporations within the geographic boundaries of the former township where the seminary lands are located as set forth in IC 20-42-3-9.**
- (4) Perform any other duty or obligation of the township trustee under IC 20-42-3.**

(d) Only the school property tax obligations of the owners of land within the geographic boundaries of the former township where the seminary lands are located shall:

- (1) be credited on their school property tax obligations on a pro rata basis by the amount of the payment under subsection (c)(3); and**
- (2) have their property tax obligations reduced each year on a pro rata basis by the amount of the payment as set forth in IC 20-42-3-9.**

(e) As set forth in IC 20-42-3-10, the trustee of the new township, with the advice and consent of the township board of the new township, shall use the seminary lands school account only for the educational purposes and for the benefit of the residents within the geographic boundaries of the former township."

Page 13, delete lines 4 through 31.

Page 14, delete lines 9 through 23, begin a new paragraph and insert:

"SECTION 19. IC 36-6-6-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 2.3. (a) This section applies only to township governments that merge under IC 36-6-1.5-4.1.



(b) The resolutions adopted by the merging townships under IC 36-6-1.5-5 must select one (1) of the following options regarding the township legislative body of the resulting merged township:

(1) The resolution may require that each member of the township legislative body may reside anywhere within the boundaries of the merged township. The resolution shall determine the number of members of the township legislative body as follows:

(A) If the resulting merged township has a population of fifty thousand (50,000) or less, as determined by the 2010 federal decennial census, the merged township shall elect a three (3) member township legislative body. The voters of the resulting merged township government shall elect all the members of the township legislative body.

(B) If the resulting merged township has a population of more than fifty thousand (50,000), as determined by the 2010 federal decennial census, the merged township may elect:

- (i) a three (3) member township legislative body; or
- (ii) a five (5) member township legislative body.

The voters of the resulting merged township government shall elect all the members of the township legislative body.

(2) The resolution may require one (1) member of the township legislative body to reside within the geographic area of each of the former townships that merged. The resulting merged township government shall elect a township legislative body that has the same number of members as the number of township governments that merged. The voters of the resulting merged township government shall elect all the members of the township legislative body."

Page 18, after line 18, begin a new paragraph and insert:

"SECTION 24. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1005 as introduced.)

MAHAN

Committee Vote: yeas 10, nays 0.

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