



March 2, 2018

ENGROSSED HOUSE BILL No. 1125

DIGEST OF HB 1125 (Updated February 28, 2018 3:24 pm - DI 87)

Citations Affected: IC 36-8.

Synopsis: Fire department contracts. Creates the following minimum requirements for the negotiation of a contract entered into after May 31, 2018, between a municipality and an employee organization for fire department employees: (1) Requires the municipality to adopt an ordinance that automatically requires the parties submit to binding arbitration if they fail to agree to a new contract within a specified period of time. (2) Establishes requirements for a municipality to follow to terminate a contract if the municipality intends to contract with a volunteer fire department or other provider of fire protection services to the municipality. (3) Allows a municipality to require or allow mediation in the period before arbitration begins. Provides that an agreement between a unit (municipality or township) and another unit or volunteer fire department for fire protection services must be in writing and for a fixed term.

Effective: Upon passage; July 1, 2018.

May, Frye R, Moed

(SENATE SPONSORS — HOUCHIN, KOCH, BUCK)

January 4, 2018, read first time and referred to Committee on Local Government.
January 18, 2018, reported — Do Pass.
January 22, 2018, read second time, ordered engrossed. Engrossed.
January 23, 2018, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 1, 2018, read first time and referred to Committee on Local Government.
March 1, 2018, amended, reported favorably — Do Pass.

EH 1125—LS 6854/DI 87



March 2, 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.

ENGROSSED HOUSE BILL No. 1125

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 36-8-3-3.6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 3.6. A city or town may enter into an**
4 **agreement with another unit or a volunteer fire department to**
5 **provide fire protection services to the city or town. The agreement**
6 **must be:**
7 **(1) in writing; and**
8 **(2) for a fixed term.**
9 SECTION 2. IC 36-8-11.5 IS ADDED TO THE INDIANA CODE
10 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
11 UPON PASSAGE]:
12 **Chapter 11.5. Municipal Fire Department Contracts**
13 **Sec. 1. This chapter applies only to a municipality that executes**
14 **a contract:**
15 **(1) with an employee organization for the municipality's fire**
16 **department employees after May 31, 2018; and**
17 **(2) that includes terms regarding employee:**

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- 1 (A) salary;
- 2 (B) wages; and
- 3 (C) salary and wage related fringe benefits, including
- 4 health insurance, disability, retirement benefits, and paid
- 5 time off.

6 **Sec. 2. As used in this chapter, "employee organization" means**
 7 **an entity that works in whole or in part for the common interest of**
 8 **employees.**

9 **Sec. 3. (a) A municipality shall adopt an ordinance not later**
 10 **than June 1, 2018, that requires, except as provided in section 6 of**
 11 **this chapter, that the municipality and employee organization**
 12 **representatives automatically submit to a binding arbitration of an**
 13 **existing contract, if:**

14 (1) the municipality and employee organization
 15 representatives fail to agree to the terms of a new contract
 16 within a specified period of time, not to exceed a period of
 17 forty-five (45) days after formal negotiations are initiated;
 18 and

19 (2) the municipality has not provided notice of termination
 20 under section 6 of this chapter.

21 (b) The ordinance must provide for all of the following:

22 (1) A procedure for the parties to mutually select an
 23 arbitrator or arbitration board and for the parties to equally
 24 share the costs of an arbitration.

25 (2) That the parties must commence arbitration within a
 26 specified period of time after the date that arbitration is
 27 automatically required under subsection (a), not to exceed a
 28 period of more than twenty (20) days.

29 (3) That upon commencement, arbitration shall be completed
 30 within a certain period of time not to exceed thirty (30) days.

31 (c) During the period of arbitration, the terms of the existing
 32 contract continue without change to any of its terms including the
 33 salary, wages, or benefits for any employee until arbitration is
 34 concluded and the terms of the new contract are declared by the
 35 arbitrator.

36 **Sec. 4. If either party refuses to participate in the arbitration,**
 37 **the terms of the existing contract continue without change for the**
 38 **same contract term as the previous contract, unless the parties**
 39 **mutually agree to the changes.**

40 **Sec. 5. Nothing in this chapter prohibits a municipality from**
 41 **adopting an ordinance that:**

- 42 (1) requires or allows mediation on the contract in the period



- 1 before arbitration commences under section 3(b)(2) of this
 2 chapter; and
 3 (2) provides for the parties to equally share the costs of the
 4 mediation.
- 5 However, arbitration shall commence on the date set by the
 6 ordinance in accordance with section 3(b)(2) of this chapter, if the
 7 mediation fails to result in an agreement between the parties on the
 8 terms of the new contract.
- 9 Sec. 6. (a) The ordinance adopted under section 3 of this chapter
 10 shall provide that if the municipality intends to stop providing fire
 11 protection services to the municipality by means of the
 12 municipality's own fire department in order to contract with:
 13 (1) a volunteer fire department as provided in IC 36-8-12; or
 14 (2) another unit, fire protection territory, or fire protection
 15 district;
 16 to provide fire protection services to the municipality, the
 17 municipality must comply with the procedure set forth in this
 18 section.
- 19 (b) The legislative body of the municipality shall provide notice
 20 of termination of the existing contract by adopting a resolution and
 21 delivering a written copy of the resolution by certified mail to the
 22 employee organization representatives:
 23 (1) not later than forty-five (45) days before the date that the
 24 existing contract expires; and
 25 (2) stating that the existing contract will terminate on the
 26 contract's expiration date.
- 27 (c) If a legislative body provides notice in compliance with this
 28 section, the arbitration provisions required to be adopted by the
 29 municipality under sections 3 through 5 of this chapter do not
 30 apply to the parties.
- 31 Sec. 7. A contract executed before June 1, 2018, is not subject to,
 32 limited by, or otherwise affected by the provisions of the ordinance
 33 adopted by the municipality under this chapter. However, the
 34 provisions of an ordinance adopted under this chapter apply to the
 35 contract if the contract is renewed or modified after May 31, 2018.
- 36 SECTION 3. IC 36-8-12-4.5 IS ADDED TO THE INDIANA CODE
 37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 38 1, 2018]: Sec. 4.5. A contract for services for a purpose authorized
 39 under this chapter between a unit and a volunteer fire department
 40 must be:
 41 (1) in writing; and
 42 (2) for a fixed term.



1 **SECTION 4. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1125, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1125 as introduced.)

ZENT

Committee Vote: Yeas 12, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred House Bill No. 1125, 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:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 22, begin a new paragraph and insert:

"SECTION 1. IC 36-8-3-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.6. A city or town may enter into an agreement with another unit or a volunteer fire department to provide fire protection services to the city or town. The agreement must be:**

- (1) in writing; and**
- (2) for a fixed term.**

SECTION 2. IC 36-8-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:**

Chapter 11.5. Municipal Fire Department Contracts

Sec. 1. This chapter applies only to a municipality that executes a contract:

- (1) with an employee organization for the municipality's fire department employees after May 31, 2018; and**
- (2) that includes terms regarding employee:**
 - (A) salary;**
 - (B) wages; and**
 - (C) salary and wage related fringe benefits, including health insurance, disability, retirement benefits, and paid time off.**

Sec. 2. As used in this chapter, "employee organization" means



an entity that works in whole or in part for the common interest of employees.

Sec. 3. (a) A municipality shall adopt an ordinance not later than June 1, 2018, that requires, except as provided in section 6 of this chapter, that the municipality and employee organization representatives automatically submit to a binding arbitration of an existing contract, if:

(1) the municipality and employee organization representatives fail to agree to the terms of a new contract within a specified period of time, not to exceed a period of forty-five (45) days after formal negotiations are initiated; and

(2) the municipality has not provided notice of termination under section 6 of this chapter.

(b) The ordinance must provide for all of the following:

(1) A procedure for the parties to mutually select an arbitrator or arbitration board and for the parties to equally share the costs of an arbitration.

(2) That the parties must commence arbitration within a specified period of time after the date that arbitration is automatically required under subsection (a), not to exceed a period of more than twenty (20) days.

(3) That upon commencement, arbitration shall be completed within a certain period of time not to exceed thirty (30) days.

(c) During the period of arbitration, the terms of the existing contract continue without change to any of its terms including the salary, wages, or benefits for any employee until arbitration is concluded and the terms of the new contract are declared by the arbitrator.

Sec. 4. If either party refuses to participate in the arbitration, the terms of the existing contract continue without change for the same contract term as the previous contract, unless the parties mutually agree to the changes.

Sec. 5. Nothing in this chapter prohibits a municipality from adopting an ordinance that:

(1) requires or allows mediation on the contract in the period before arbitration commences under section 3(b)(2) of this chapter; and

(2) provides for the parties to equally share the costs of the mediation.

However, arbitration shall commence on the date set by the ordinance in accordance with section 3(b)(2) of this chapter, if the



mediation fails to result in an agreement between the parties on the terms of the new contract.

Sec. 6. (a) The ordinance adopted under section 3 of this chapter shall provide that if the municipality intends to stop providing fire protection services to the municipality by means of the municipality's own fire department in order to contract with:

- (1) a volunteer fire department as provided in IC 36-8-12; or**
- (2) another unit, fire protection territory, or fire protection district;**

to provide fire protection services to the municipality, the municipality must comply with the procedure set forth in this section.

(b) The legislative body of the municipality shall provide notice of termination of the existing contract by adopting a resolution and delivering a written copy of the resolution by certified mail to the employee organization representatives:

- (1) not later than forty-five (45) days before the date that the existing contract expires; and**
- (2) stating that the existing contract will terminate on the contract's expiration date.**

(c) If a legislative body provides notice in compliance with this section, the arbitration provisions required to be adopted by the municipality under sections 3 through 5 of this chapter do not apply to the parties.

Sec. 7. A contract executed before June 1, 2018, is not subject to, limited by, or otherwise affected by the provisions of the ordinance adopted by the municipality under this chapter. However, the provisions of an ordinance adopted under this chapter apply to the contract if the contract is renewed or modified after May 31, 2018."

Page 2, line 25, delete "(a)".

Page 2, line 28, delete "writing;" and insert "**writing; and**".

Page 2, line 29, delete "term; and" and insert "**term.**".

Page 2, delete lines 30 through 42, begin a new paragraph and insert:



"SECTION 3. An emergency is declared for this act."

Page 3, delete lines 1 through 10.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1125 as printed January 19, 2018.)

BUCK, Chairperson

Committee Vote: Yeas 8, Nays 0.

