

HOUSE BILL No. 1355

DIGEST OF HB 1355 (Updated February 20, 2023 2:02 pm - DI 134)

Citations Affected: IC 6-1.1; IC 36-6; IC 36-6.1.

Synopsis: Township merger pilot program. Establishes a pilot program that provides for: (1) the merger of townships into a single township government in Blackford County and Switzerland County; and (2) the merger of townships into not more than two township governments in Crawford County.

Effective: July 1, 2023.

Miller D, May, Engleman, Campbell

January 17, 2023, read first time and referred to Committee on Local Government. February 14, 2023, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127. February 20, 2023, amended, reported — Do Pass.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1355

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:

SECTION 1. IC 6-1.1-18-5, AS AMENDED BY P.L.38-2021, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund for which the budget, rate, or levy is certified by the department of local government finance under IC 6-1.1-17-16, the political subdivision must report the additional appropriation to the department of local government finance in the manner prescribed by the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

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- (c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).
- (d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.
- (e) Subject to subsections (j) and (k), after the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance not later than fifteen (15) days after the additional appropriation is adopted by the appropriate fiscal body. If the additional appropriation is not submitted to the department of local government finance within fifteen (15) days after adoption, the department of local government finance may require the political subdivision to conduct a readoption hearing.
- (f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.
- (g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.
- (h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.
- (i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:
 - (1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the



political subdivision; and

- (2) state with reasonable specificity the reason for the request. The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.
- (j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20, or IC 36-1-23, IC 36-6.1, or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.
- (k) This subsection applies to a public library that is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20 or IC 6-1.1-17-20.4. If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20.3(d), as appropriate.
- (l) This subsection applies to an appropriation for which the underlying purpose is a bond issue. The political subdivision shall include the appropriation for the bond proceeds in the budget of the political subdivision for the ensuing year adopted under IC 6-1.1-17. If the political subdivision does not include the appropriation for the bond proceeds as required by this subsection, the political subdivision shall comply with the requirements of this section in the year in which the bond proceeds are received, but may not take an action pursuant to this section in a year before the year in which the bond proceeds are received.

SECTION 2. IC 6-1.1-18.5-10.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 10.6. (a) This section applies only to a new township government established by merger under IC 36-6.1.**

(b) Notwithstanding any other law, if a total tax rate levied upon the formation of a new township government is to be implemented over a number of years in accordance with IC 36-6.1-10-1, the



	4
1	maximum permissible ad valorem property tax levy that would
2	otherwise apply to the new township government under section 3
3	of this chapter does not apply to ad valorem property taxes
4	imposed by the new township government over the number of
5	years in which the total tax rate is to be implemented under
6	IC 36-6.1-10-1.
7	SECTION 3. IC 36-6-1.6-2.5 IS ADDED TO THE INDIANA
8	CODE AS A NEW SECTION TO READ AS FOLLOWS
9	[EFFECTIVE JULY 1, 2023]: Sec. 2.5. This chapter does not apply
10	to a new township government that is established by merger under
11	IC 36-6.1.
12	SECTION 4. IC 36-6.1 IS ADDED TO THE INDIANA CODE AS
13	A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
14	2023]:
15	ARTICLE 6.1 TOWNSHIP MERGER PILOT PROGRAM
16	Chapter 1. Applicability
17	Sec. 1. This article applies only to the following counties:
18	(1) Blackford County.
19	(2) Crawford County.
20	(3) Switzerland County.
21	Chapter 2. Definitions
22	Sec. 1. The definitions in this chapter apply throughout this
23	article.
24	Sec. 2. "Board" means a merger board established by
25	IC 36-6.1-6-1.
26	Sec. 3. "Department" means the department of local
27	government finance.
28	Sec. 4. "Former township government" means a township
29	government that merges under this article.
30	Sec. 5. "New township government" means the township
31	government that results from a merger under this article of former
32	township governments.
33	Sec. 6. "Resolution" means the resolution ordering a merger
34	adopted under this article that approves and contains the merger
35	plan for a merger of townships.
36	Chapter 3. Pilot Program Established
37	Sec. 1. There is established a township merger pilot program.
38	Sec. 2. The pilot program is established for the following
39	purposes:
40	(1) Streamlining government.
41	(2) Improving efficiency and maintaining local control in the
11	(a) improving conciency and maintaining local control



delivery of township services.

1	(3) Allowing government to remain closest to the people.
2	(4) Allowing local decision making in the merger.
3	Chapter 4. Blackford County and Switzerland County
4	Sec. 1. This chapter applies only to the following:
5	(1) Blackford County.
6	(2) Switzerland County.
7	Sec. 2. The board may prepare and adopt a merger plan under
8	this article that merges all of the township governments into one
9	(1) township government. For a merger to occur the:
10	(1) township trustee; and
11	(2) majority of the members of the township board;
12	of each township must adopt identical resolutions approving the
13	merger plan and ordering the merger of the township not later
14	than July 1, 2025.
15	Sec. 3. If:
16	(1) a merger plan is not prepared or adopted by the merger
17	board; or
18	(2) a township does not adopt a resolution approving the
19	merger plan and ordering the merger of the township;
20	the county executive may prepare a merger plan to merge all
21	townships within the county into one (1) township. For a merger to
22	occur, a resolution approving the merger plan and ordering the
23	merger of the townships must be approved not later than July 1,
24	2027, by an affirmative vote of a majority of the members of the
25	county executive and the county fiscal body.
26	Chapter 5. Crawford County
27	Sec. 1. This chapter applies only to Crawford County.
28	Sec. 2. The board may prepare and adopt a merger plan under
29	this article that merges all of the township governments into not
30	more than (2) township governments. For a merger to occur the:
31	(1) township trustee; and
32	(2) majority of the members of the township board;
33	of each township must adopt identical resolutions approving the
34	merger plan and ordering the merger of the township not later
35	than July 1, 2025.
36	Sec. 3. If:
37	(1) a merger plan is not prepared or adopted by the board; or
38	(2) a township does not adopt a resolution approving the
39	merger plan ordering the merger of the township;
40	the county executive may prepare a merger plan to merge all
41	townships within the county into not more than two (2) townships.
42	For a merger to occur, the resolution must be approved not later



1	than July 1, 2027, by an affirmative vote of a majority of the
2	members of the county executive and the county fiscal body.
3	Chapter 6. Merger Board
4	Sec. 1. On July 1, 2023, a merger board is established in each
5	county.
6	Sec. 2. The board consists of:
7	(1) the trustees of all the townships in the county; and
8	(2) one (1) member of the county executive, selected by the
9	members of the county executive, to serve as chair.
10	Sec. 3. An affirmative vote of a majority of the voting members
11	present is required for the board to take action. The chair may vote
12	on matters before the board only in order to break a tie.
13	Sec. 4. The board:
14	(1) shall conduct public meetings regarding the merger of
15	townships; and
16	(2) may prepare a merger plan.
17	Chapter 7. Meetings
18	Sec. 1. This chapter applies to meetings of the board.
19	Sec. 2. All meetings of the board shall be open to the public in
20	accordance with and subject to IC 5-14-1.5 (open door law).
21	Sec. 3. All records of the board are subject to the requirements
22	of IC 5-14-3 (access to public records).
23	Sec. 4. The board shall hold its first meeting not later than
24	August 1, 2023, and at the call of the chair.
25	Sec. 5. (a) The board shall hold at least two (2) public meetings
26	before voting on the adoption of the resolution approving a merger
27	plan. The board shall allow the public to provide oral comment at
28	the initial meeting of the board and at least one (1) additional
29	public meeting before voting on the adoption of the resolution
30	approving the merger plan.
31	(b) The board may set a limit on the total amount of time for
32	receiving oral public comment.
33	(c) The board may adopt reasonable rules to govern the taking
34	of oral public comment at a meeting.
35	Sec. 6. A county executive is subject to the same requirements
36	as a board under this chapter in conducting meetings and in
37	preparing and adopting a resolution ordering a merger under:
38	(1) IC 36-6.1-4-3;
39	(2) IC 36-6.1-5-3; or
40	(3) IC 36-6.1-6-3.
41	Chapter 8. Merger; Applicability of Statutes
12	Sec. 1. Subject to IC 36-6.1-13-2, the following statutes apply to



1	a merger under this article:
2	(1) IC 36-6-1.5-5(d), IC 36-6-1.5-5(e), and IC 36-6-1.5-5(f).
3	(2) IC 36-6-1.5-7.
4	(3) IC 36-6-1.5-8.
5	(4) IC 36-6-1.5-9.
6	(5) IC 36-6-1.5-10.
7	(6) IC 36-6-1.5-11.
8	(7) IC 36-6-1.5-12.
9	Sec. 2. A merger plan must include at least the following:
10	(1) The proposed name of the new township.
11	(2) A description of the location of township offices.
12	(3) The disposition of the personnel, the agreements, the
13	assets, and the liabilities of the merging townships, including
14	the terms and conditions upon which the transfer of property
15	and personnel will be achieved.
16	(4) A description of the proposed standards under
17	IC 12-20-5.5 for township assistance.
18	Sec 3. (a) A merger takes effect on the date provided for in the
19	resolution. However, a merger may not take effect:
20	(1) before March 1; or
21	(2) after April 30;
22	following the adoption of the resolution approving the merger.
23	(b) A merger may not take effect until the state board of
24	accounts has conducted an audit of each township subject to the
25	merger.
26	(c) An officer elected to represent the merged township
27	government shall be considered to be a resident of the territory
28	comprising the new township government.
29	Sec. 4. Except as provided in IC 36-6.1-9-3, after the effective
30	date of the merger, and every year thereafter, a new township
31	government's:
32	(1) annual budget;
33	(2) levy of township property taxes for township funds; and
34	(3) other additional appropriations;
35	are subject to review and approval by the department of local
36	government finance.
37	Sec. 5. (a) As provided in IC 36-6-1.5-8, any bonds and other
38	indebtedness of, or assumed by, the former township governments
39	are transferred to the new township government on the effective
40	date of the merger. The new township government may provide
41	either of the following in its merger plan:
42	(1) The new township government shall levy a tax to pay the



indebtedness within the entire geographic area comprising the new township government. However, the new township government may not assume all or a part of the indebtedness described in this subdivision that will exceed the limitations on the amount of indebtedness that the new township government may incur. To the extent that the new township government may not assume all or a part of the indebtedness described in this subdivision, the former township is not abolished and continues to exist as a taxing unit only for the purpose of levying property taxes necessary to pay the indebtedness that is not assumed by the new township government. After the indebtedness not assumed by the new township government has been paid, the former township is abolished.

- (2) The new township government shall levy property taxes to pay township indebtedness or lease rental obligations incurred by a former township only in the geographic area of the former township that originally issued the debt or entered into the lease rental agreement. The territory of the former township comprises a taxing district for the payment of township indebtedness or lease rental obligations existing at the time of the merger. Once the indebtedness or obligation is paid, the taxing district is abolished.
- (b) Notwithstanding any other law, to assume, defease, pay, or refund all or a part of the indebtedness described in this section, the new township government is not required to comply with any other statutory procedures or approvals that apply when a unit incurs indebtedness.
- (c) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5 do not apply to ad valorem property taxes imposed by a new township government to pay or fund any indebtedness assumed, defeased, paid, or refunded under this section.

Chapter 9. Levy

- Sec. 1. The total tax rate levied under this article upon taxable property within a new township upon the formation of the new township may be implemented:
 - (1) over a number of years, not exceeding three (3); and
 - (2) in a manner subject to review and approval by the department.
- Sec. 2. As provided in IC 6-1.1-18.5-10.6, the maximum permissible ad valorem property tax levy that would otherwise apply to the new township government under IC 6-1.1-18.5-3, does



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not apply to ad valorem property taxes imposed by the new township government over the number of years in which the total
tax rate is to be implemented under section 1 of this chapter.
Chapter 10. Acting Officers; Township Assessor
Sec. 1. (a) One (1) township trustee of a former township shal
serve as an acting trustee for the new township after the merger is
effective and until the township trustee for the new township is
elected as provided in IC 36-6-6.

- (b) The acting trustee shall be the individual selected by an affirmative vote of a majority of the members of the township board of each township that is merging to form the new township. In the event of a tie, the member of the county executive who serves as the merger board chair shall cast the deciding vote.
- Sec. 2. One (1) member of the township board of each of township that is merging to form the new township shall serve as the acting member of the township board for the new township after the merger is effective and until the members of the township board for the new township government are elected as provided in IC 36-6-6. The acting member shall be selected by the township board. In the event of a tie, the member of the county executive who serves as the merger board chair shall cast the deciding vote.
- Sec. 3. (a) If a township has a township assessor on the effective date of the merger the following occurs:
 - (1) The office of township assessor for a former township is abolished.
 - (2) The county assessor of the county shall assume the duties of the township assessor.
 - (3) All employment positions of employees of the township assessor are transferred to the county assessor.
- (b) An employee of the office of the township assessor on the effective date of the merger is entitled to remain in the employee's position transferred under subsection (a) until the earlier of the following:
 - (1) The employee resigns from the position.
 - (2) The employee's employment is terminated. However, an employee described in this subsection may be terminated only in the same manner that other employees of the county assessor may be terminated.
- Sec. 4. The terms of each township trustee (other than the acting trustee), township board member (other than the acting township board member), and township assessor (if any) expire December 31 of the year immediately preceding the year in which the merger



1	takes effect, and:
2	(1) those officials are not entitled to any compensation for
3	actions taken after the date on which their offices expire
4	under this subsection; and
5	(2) the offices may not be filled as provided in IC 3-13-10 or
6	IC 3-13-11.
7	Chapter 12. Construction of Article
8	Sec. 1. This article shall be liberally construed to effect the
9	purposes of this article.
10	Sec. 2. Notwithstanding any other law, to the extent the
11	provisions of this article are inconsistent with the provisions of any
12	other law, the provisions of this article are controlling, and
13	compliance with this article shall be treated as compliance with the
14	conflicting law.
15	Sec. 3. This article expires July 1, 2030.
16	SECTION 5. IC 36-6-6-2.1, AS ADDED BY P.L.240-2005,
17	SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18	JULY 1, 2023]: Sec. 2.1. (a) This section applies if township
19	governments merge under IC 36-6-1.5 or IC 36-6.1.
20	(b) If two (2) township governments merge, the resulting merged
21	township government shall elect a three (3) member township board.
22	The voters of the resulting merged township government shall elect all
23	the members of the township board. One (1) member must reside
24	within the boundaries of each of the township governments that
25	merged.
26	(c) If at least three (3) township governments merge, the resulting
27	merged township government shall elect a township board that has the
28	same number of members as the number of township governments that
29	merged. The voters of the resulting merged township shall elect all the
30	members of the township board. One (1) township board member must
31	reside within the boundaries of each of the townships that merged.
32	SECTION 6. IC 36-6-6-3, AS AMENDED BY P.L.240-2005,
33	SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34	JULY 1, 2023]: Sec. 3. (a) This subsection applies to townships in a
35	county containing a consolidated city. One (1) member of the
36	legislative body must reside within each legislative body district. If a
37	member of the legislative body ceases to be a resident of the district
38	from which the member was elected, the office becomes vacant.
39	(b) This subsection applies to townships not included in subsection
40	(a) or (c). A member of the legislative body must reside within the

township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. If a member of the legislative body ceases to be a



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1	resident of the township, the office becomes vacant.
2	(c) This subsection applies to a township government that:
2 3	(1) is created by a merger of township governments under
4	IC 36-6-1.5 or IC 36-6.1 ; and
5	(2) elects a township board under section 2.1 of this chapter.
6	One (1) member of the legislative body must reside within the
7	boundaries of each of the former townships that merged. If a member
8	of the legislative body ceases to be a resident of that former township,
9	the office becomes vacant.
10	SECTION 7. IC 36-6-6-4, AS AMENDED BY P.L.159-2021,
11	SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12	JULY 1, 2023]: Sec. 4. (a) Except as provided in subsections (b) and
13	(c), two (2) members of the legislative body constitute a quorum.
14	(b) Before January 1, 2017, four (4) members of the legislative body
15	in a county containing a consolidated city constitute a quorum. After
16	December 31, 2016, three (3) members of the legislative body in a
17	county having a consolidated city constitute a quorum.
18	(c) This subsection applies to a township government that:
19	(1) is created by a merger of township governments under
20	IC 36-6-1.5 or IC 36-6.1; and
21	(2) elects the township legislative body under section 2.1 of this
22	chapter.
23	A majority of the members of the township legislative body constitute
24	a quorum. If a township legislative body has an even number of
25	members, the township executive shall serve by virtue of office as a
26	member of the township legislative body for the purpose of casting the
27	deciding vote to break a tie.
28	(d) For townships not described in subsection (c), the township
29	executive shall serve by virtue of office as a member of the township
30	legislative body for the purpose of casting the deciding vote to break a
31	tie. However, the township executive may not vote to break a tie on the

adoption of an ordinance to increase the township executive's

compensation (as defined in section 10 of this chapter).



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COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1355, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1355 as introduced.)

MAY

Committee Vote: yeas 12, nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1355, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Page 4, delete line 20.

Page 4, line 21, delete "(4)" and insert "(3)".

Page 4, line 26, delete "IC 36-6.1-7-1" and insert "IC 36-6.1-6-1.".

Page 6, delete lines 4 through 13.

Page 6, line 14, delete "Chapter 7." and insert "Chapter 6.".

Page 6, line 28, delete "Chapter 8." and insert "Chapter 7.".

Page 7, between lines 6 and 7, begin a new line block indented and insert:

"(1) IC 36-6.1-4-3;".

Page 7, line 7, delete "(1)" and insert "(2)".

Page 7, line 7, after ";" insert "or".

Page 7, line 8, delete "(2)" and insert "(3)".

Page 7, line 8, delete "; or" and insert ".".

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Page 7, delete line 9.

Page 7, line 10, delete "Chapter 9." and insert "Chapter 8.".

Page 7, line 11, delete "IC 36-6.1-14-2," and insert "IC 36-6.1-13-2,".

Page 7, line 40, delete "IC 36-6.1-10-3," and insert "IC 36-6.1-9-3,".

Page 9, line 2, delete "Chapter 10." and insert "Chapter 9.".

Page 9, line 15, delete "Chapter 11." and insert "Chapter 10.".

Page 10, delete lines 18 through 42.

Page 11, delete lines 1 through 16.

Page 11, line 17, delete "14." and insert "12.".

Page 13, delete lines 2 through 12.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1355 as printed February 14, 2023.)

THOMPSON

Committee Vote: yeas 16, nays 3.

