

HOUSE BILL No. 1404

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3-5; IC 3-10; IC 3-11; IC 3-11.5-1-1.1; IC 36-1.5.

Synopsis: Municipal-township reorganization. Allows a municipal government to reorganize with a township that is located within the corporate boundaries of the municipality and the unincorporated area of the county. Provides that after the reorganization: (1) the municipal government is also the township government; and (2) a resident of the unincorporated area of the township is entitled to vote for these municipal offices. Provides that after the reorganization, the unincorporated area of the reorganizing township is not incorporated into the municipality and continues to receive county services. Excludes municipalities and townships located in Marion County and townships that have township assessors. Requires municipal election districts to be redrawn to include the unincorporated area of the reorganizing township. Provides that the reorganization is initiated by the municipal legislative body adopting a resolution. Requires the municipality to adopt a reorganization plan and submit the plan to the voters of the municipality and the voters of the unincorporated area of the township. Provides that a reorganization plan is approved if at least 51% of the sum of voters of the municipality and township vote to approve the plan. Provides that the reorganization is effective when the officers of the reorganized municipality are elected at the next general election after the reorganization is approved by voters.

Effective: July 1, 2017.

Morrison

January 17, 2017, read first time and referred to Committee on Government and Regulatory Reform.



Introduced

First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1404

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 3-5-2-5.8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2017]: **Sec. 5.8. "Unincorporated area of a reorganized
4 municipality" or "unincorporated area of a reorganized town"**
5 **refers to any part of the portion of the township located outside a**
6 **municipality's corporate boundaries that is part of a municipality**
7 **reorganized under IC 36-1.5-4.5.**

8 SECTION 2. IC 3-5-10 IS ADDED TO THE INDIANA CODE AS
9 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
10 1, 2017]:

11 **Chapter 10. Voters Residing in Reorganized Municipalities and**
12 **Townships**

13 **Sec. 1. This chapter applies to the reorganization of a**
14 **municipality and township under IC 36-1.5-4.5.**

15 **Sec. 2. The definitions in IC 36-1.5-1 and IC 36-1.5-4.5 apply to**
16 **this chapter.**

17 **Sec. 3. A voter who resides in the unincorporated area of a**



1 reorganized township is considered a voter of the reorganized
 2 municipality for purposes related to the election of the municipal
 3 officers of the reorganized municipality.

4 **Sec. 4. A voter described in section 3 of this chapter is entitled**
 5 **to vote as follows in a municipal primary or a municipal election:**

6 (1) **If the county has established vote centers:**

7 (A) **at a vote center established for the municipal primary**
 8 **or municipal election; or**

9 (B) **by absentee ballot.**

10 (2) **If the county has not established vote centers, by absentee**
 11 **ballot.**

12 **Sec. 5. As provided in Article 6, Section 6 of the Constitution of**
 13 **the State of Indiana, a voter who resides in the unincorporated**
 14 **area of a reorganized municipality may not hold a local office in**
 15 **that municipality.**

16 SECTION 3. IC 3-10-6-1 IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) This chapter applies to
 18 municipal and school district elections in the following municipalities:

19 (1) All cities.

20 (2) Towns having a population of three thousand five hundred
 21 (3,500) or more.

22 (3) Towns located entirely or partially within a county having a
 23 consolidated city, regardless of their population.

24 (b) Prison inmates may not be counted in determining population
 25 size for purposes of this chapter.

26 (c) **This subsection applies to the reorganization of a**
 27 **municipality and township under IC 36-1.5-4.5. A voter who**
 28 **resides in the unincorporated area of the reorganized township is**
 29 **considered to be a voter of the reorganized municipality for**
 30 **purposes related to the election of the municipal officers of the**
 31 **reorganized municipality.**

32 SECTION 4. IC 3-10-7-1 IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) This chapter applies to
 34 municipal elections in towns having a population of less than three
 35 thousand five hundred (3,500) that are not located entirely or partially
 36 within a county having a consolidated city.

37 (b) Prison inmates may not be counted in determining population
 38 size for purposes of this chapter.

39 (c) **This subsection applies to the reorganization of a town and**
 40 **township under IC 36-1.5-4.5. A voter who resides in the**
 41 **unincorporated area of a reorganized township is considered to be**
 42 **a voter of the reorganized town for purposes related to the election**



1 **of the officers of the reorganized town.**

2 SECTION 5. IC 3-11-1.5-4 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. A county executive
4 shall establish precincts so that each boundary of each precinct does
5 not cross the boundary of **any of the following:**

- 6 (1) The state.
7 (2) A county.
8 (3) A township.
9 (4) A district of the House of Representatives of the Congress of
10 the United States.
11 (5) A district of the senate of the general assembly. ~~or~~
12 (6) A district of the house of representatives of the general
13 assembly.
14 **(7) The unincorporated area of a township reorganized under**
15 **IC 36-1.5-4.5.**

16 SECTION 6. IC 3-11-1.5-25 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 25. A precinct
18 establishment order may not become effective during the following
19 periods:

- 20 (1) In a year in which a general election is held, the period
21 beginning on the first day that a declaration of candidacy may be
22 filed under IC 3-8-2-4 and ending the day following general
23 election day.
24 (2) For precincts located wholly or partially within a municipality
25 **(including the unincorporated area of a reorganized township**
26 **under IC 36-1.5-4.5)**, after January 31 and before the day
27 following municipal election day, in a year in which a municipal
28 election is held.

29 SECTION 7. IC 3-11-10-12, AS AMENDED BY P.L.66-2010,
30 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2017]: Sec. 12. (a) Except as provided in section 12.5 **or 12.7**
32 of this chapter, each county election board shall have all absentee
33 ballots delivered to the precinct election boards at their respective polls
34 on election day.

35 (b) The absentee ballots shall be delivered during the hours that the
36 polls are open and in sufficient time to enable the precinct election
37 boards to vote the ballots during the time the polls are open.

38 (c) Along with the absentee ballots delivered to the precinct election
39 boards under subsection (a), each county election board shall provide
40 a list certified by the circuit court clerk. This list must state the name
41 of each voter subject to IC 3-7-33-4.5 who:

- 42 (1) filed the documentation required by IC 3-7-33-4.5 with the



1 county voter registration office after the printing of the certified
2 list under IC 3-7-29 or the poll list under IC 3-11-3; and

3 (2) as a result, is entitled to have the voter's absentee ballot
4 counted if the ballot otherwise complies with this title.

5 (d) If the county election board is notified not later than 3 p.m. on
6 election day by the county voter registration office that a voter subject
7 to IC 3-7-33-4.5 and not identified in the list certified under subsection
8 (c) has filed documentation with the office that complies with
9 IC 3-7-33-4.5, the county election board shall transmit a supplemental
10 certified list to the appropriate precinct election board. If the board
11 determines that the supplemental list may not be received before the
12 closing of the polls, the board shall:

13 (1) attempt to contact the precinct election board to inform the
14 board regarding the content of the supplemental list; and

15 (2) file a copy of the supplemental list for that precinct as part of
16 the permanent records of the board.

17 SECTION 8. IC 3-11-10-12.7 IS ADDED TO THE INDIANA
18 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
19 [EFFECTIVE JULY 1, 2017]: **Sec. 12.7. (a) This section applies to**
20 **absentee ballots cast as provided by IC 3-5-10-4 in a municipal**
21 **primary or a municipal election by a voter who resides in the**
22 **unincorporated area of a township reorganized under**
23 **IC 36-1.5-4.5.**

24 (b) **Notwithstanding section 12 of this chapter, the county**
25 **election board shall count the absentee ballots described in**
26 **subsection (a) using the procedures in IC 3-11.5 for counting**
27 **absentee ballots at a central location, including the procedures for**
28 **challenging absentee ballots.**

29 (c) **This section does not require a county election board to**
30 **count absentee ballots not described in subsection (a) at a central**
31 **location under this section or IC 3-11.5.**

32 SECTION 9. IC 3-11-10-24, AS AMENDED BY P.L.169-2015,
33 SECTION 119, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2017]: Sec. 24. (a) Except as provided in
35 subsection (b), a voter who satisfies any of the following is entitled to
36 vote by mail:

37 (1) The voter has a specific, reasonable expectation of being
38 absent from the county on election day during the entire twelve

39 (12) hours that the polls are open.

40 (2) The voter will be absent from the precinct of the voter's
41 residence on election day because of service as:

42 (A) a precinct election officer under IC 3-6-6;



- 1 (B) a watcher under IC 3-6-8, IC 3-6-9, or IC 3-6-10;
 2 (C) a challenger or pollbook holder under IC 3-6-7; or
 3 (D) a person employed by an election board to administer the
 4 election for which the absentee ballot is requested.
- 5 (3) The voter will be confined on election day to the voter's
 6 residence, to a health care facility, or to a hospital because of an
 7 illness or injury during the entire twelve (12) hours that the polls
 8 are open.
- 9 (4) The voter is a voter with disabilities.
- 10 (5) The voter is an elderly voter.
- 11 (6) The voter is prevented from voting due to the voter's care of
 12 an individual confined to a private residence because of illness or
 13 injury during the entire twelve (12) hours that the polls are open.
- 14 (7) The voter is scheduled to work at the person's regular place of
 15 employment during the entire twelve (12) hours that the polls are
 16 open.
- 17 (8) The voter is eligible to vote under IC 3-10-11 or IC 3-10-12.
- 18 (9) The voter is prevented from voting due to observance of a
 19 religious discipline or religious holiday during the entire twelve
 20 (12) hours that the polls are open.
- 21 (10) The voter is an address confidentiality program participant
 22 (as defined in IC 5-26.5-1-6).
- 23 (11) The voter is a member of the military or public safety officer.
- 24 (12) The voter is a serious sex offender (as defined in
 25 IC 35-42-4-14(a)).
- 26 (13) The voter is prevented from voting due to the unavailability
 27 of transportation to the polls.
- 28 **(14) The voter resides in the unincorporated area of a**
 29 **township reorganized under IC 36-1.5-4.5 and is voting for**
 30 **the elected offices of the reorganized municipality as provided**
 31 **by IC 3-5-10.**
- 32 (b) A voter with disabilities who:
 33 (1) is unable to make a voting mark on the ballot or sign the
 34 absentee ballot secrecy envelope; and
 35 (2) requests that the absentee ballot be delivered to an address
 36 within Indiana;
- 37 must vote before an absentee voter board under section 25(b) of this
 38 chapter.
- 39 (c) If a voter receives an absentee ballot by mail, the voter shall
 40 personally mark the ballot in secret and seal the marked ballot inside
 41 the envelope provided by the county election board for that purpose.
 42 The voter shall:



- 1 (1) deposit the sealed envelope in the United States mail for
 2 delivery to the county election board; or
 3 (2) authorize a member of the voter's household or the individual
 4 designated as the voter's attorney in fact to:
 5 (A) deposit the sealed envelope in the United States mail; or
 6 (B) deliver the sealed envelope in person to the county
 7 election board.
- 8 (d) If a member of the voter's household or the voter's attorney in
 9 fact delivers the sealed envelope containing a voter's absentee ballot to
 10 the county election board, the individual delivering the ballot shall
 11 complete an affidavit in a form prescribed by the election division. The
 12 affidavit must contain the following information:
 13 (1) The name and residence address of the voter whose absentee
 14 ballot is being delivered.
 15 (2) A statement of the full name, residence and mailing address,
 16 and daytime and evening telephone numbers (if any) of the
 17 individual delivering the absentee ballot.
 18 (3) A statement indicating whether the individual delivering the
 19 absentee ballot is a member of the voter's household or is the
 20 attorney in fact for the voter. If the individual is the attorney in
 21 fact for the voter, the individual must attach a copy of the power
 22 of attorney for the voter, unless a copy of this document has
 23 already been filed with the county election board.
 24 (4) The date and location at which the absentee ballot was
 25 delivered by the voter to the individual delivering the ballot to the
 26 county election board.
 27 (5) A statement that the individual delivering the absentee ballot
 28 has complied with Indiana laws governing absentee ballots.
 29 (6) A statement that the individual delivering the absentee ballot
 30 is executing the affidavit under the penalties of perjury.
 31 (7) A statement setting forth the penalties for perjury.
- 32 (e) The county election board shall record the date and time that the
 33 affidavit under subsection (d) was filed with the board.
- 34 (f) After a voter has mailed or delivered an absentee ballot to the
 35 office of the circuit court clerk, the voter may not recast a ballot, except
 36 as provided in section 1.5 of this chapter.
- 37 SECTION 10. IC 3-11.5-1-1.1, AS AMENDED BY P.L.266-2013,
 38 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2017]: Sec. 1.1. This article applies to **the following**:
 40 (1) A county subject to IC 3-11.5-4-0.5. ~~or~~
 41 (2) A county whose county election board, by unanimous vote of
 42 the board's entire membership, has adopted a resolution under



1 IC 3-11.5-5-1 or IC 3-11.5-6-1.

2 **(3) A county that conducts a municipal primary or a**
 3 **municipal election that includes absentee ballots cast by a**
 4 **voter who resides in the unincorporated area of a township**
 5 **reorganized under IC 36-1.5-4.5.**

6 SECTION 11. IC 36-1.5-4-1, AS ADDED BY P.L.186-2006,
 7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2017]: Sec. 1. (a) Any of the following may reorganize under
 9 this chapter:

10 (1) Two (2) or more counties. A county reorganizing under this
 11 subdivision must be adjacent to at least one (1) other county
 12 participating in the reorganization.

13 (2) Two (2) or more townships located entirely within the same
 14 county. A township reorganizing under this subdivision must be
 15 adjacent to at least one (1) other township participating in the
 16 reorganization.

17 (3) Two (2) or more municipalities. A municipality reorganizing
 18 under this subdivision must be adjacent to at least one (1) other
 19 municipality participating in the reorganization.

20 (4) Two (2) or more school corporations. A school corporation
 21 reorganizing under this subdivision must be adjacent to at least
 22 one (1) other school corporation participating in the
 23 reorganization.

24 (5) Two (2) or more municipal corporations, other than a unit or
 25 a school corporation, that have substantially equivalent powers.
 26 A municipal corporation reorganizing under this subdivision must
 27 be adjacent to at least one (1) other municipal corporation
 28 participating in the reorganization.

29 (6) Two (2) or more special taxing districts that are adjacent to at
 30 least one (1) other special taxing district participating in the
 31 reorganization.

32 (7) A township and a municipality that is located in any part of
 33 the same township. **The governments of a township and a**
 34 **municipality may also reorganize under IC 36-1.5-4.5.**

35 (8) A county and one (1) or more townships that are located in the
 36 county.

37 (9) A municipality and a county that does not contain a
 38 consolidated city.

39 (10) A school corporation and a county or municipality in which
 40 a majority of the students of the school corporation have legal
 41 settlement (as defined by IC 20-18-2-11).

42 (11) A municipal corporation, other than a unit or a school



- 1 corporation, and a county or municipality in which a majority of
 2 the population of the municipal corporation resides.
- 3 (b) If a political subdivision reorganizes under this article with one
 4 (1) or more other political subdivisions:
- 5 (1) any political subdivisions that did not participate in the public
 6 question on the reorganization are not reorganized under this
 7 article;
- 8 (2) the reorganization affects only those political subdivisions in
 9 which the reorganization is approved as specified in this article;
 10 and
- 11 (3) the reorganization does not affect the rights, powers, and
 12 duties of any political subdivisions in the county in which the
 13 reorganization is not approved as specified in this article.

14 SECTION 12. IC 36-1.5-4-8, AS ADDED BY P.L.186-2006,
 15 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2017]: Sec. 8. The department of local government finance
 17 may prescribe forms for petitions, resolutions, certifications, and other
 18 writings required under this chapter **and IC 36-1.5-4.5**. A petition,
 19 resolution, certification, or other writing related to a reorganization
 20 must be substantially in the form prescribed by the department of local
 21 government finance.

22 SECTION 13. IC 36-1.5-4.5 IS ADDED TO THE INDIANA CODE
 23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2017]:

25 **Chapter 4.5. Reorganization of Municipal and Township**
 26 **Government**

27 **Sec. 1. This chapter applies only to the reorganization of a**
 28 **municipality and a township that is located entirely within:**

- 29 (1) the boundaries of the reorganizing municipality; and
 30 (2) the unincorporated area of the county.

31 **Sec. 2. This chapter does not apply to:**

- 32 (1) a municipality or a township in a county containing a
 33 consolidated city; or
 34 (2) a township that has retained the office of township
 35 assessor.

36 **Sec. 3. As used in this chapter, "reorganized municipality"**
 37 **means the municipality that is the successor to the reorganization**
 38 **of a municipality and a township under this chapter.**

39 **Sec. 4. As used in this chapter, "reorganized township" means**
 40 **the township that is the successor to the reorganization of a**
 41 **municipality and a township under this chapter.**

42 **Sec. 5. As used in this chapter, "reorganizing municipality"**



1 means the municipality that adopts a resolution under section 7 of
2 this chapter.

3 Sec. 6. As used in this chapter, "reorganizing township" means
4 the township named in the resolution adopted under section 7 of
5 this chapter.

6 Sec. 7. (a) A municipal legislative body may initiate a proposed
7 reorganization under this chapter by adopting a resolution that
8 proposes a reorganization with the township named in the
9 resolution.

10 (b) The clerk of the reorganizing municipality shall certify the
11 resolution to the township trustee and township board of the
12 reorganizing township.

13 Sec. 8. When a reorganization under this chapter is effective, the
14 following occur:

15 (1) The reorganizing township government and offices of the
16 reorganizing township cease to exist.

17 (2) The boundaries and name of the reorganizing township
18 remain unchanged and are the boundaries and name of the
19 reorganized township.

20 (3) The terms of the township trustee and township board of
21 the reorganizing township are terminated.

22 (4) The government of the reorganized municipality is the
23 government of the reorganized township.

24 (5) The elected officers of the reorganized municipality are
25 the elected officers of the reorganized township and must be
26 elected under IC 3-10-6 by the voters of the reorganized
27 municipality and the voters of the unincorporated area of the
28 reorganized township.

29 (6) The election districts for the reorganized municipality
30 must be redrawn to include the area of the unincorporated
31 area of the reorganized township.

32 (7) The corporate boundaries of the reorganizing municipality
33 are the corporate boundaries of the reorganized municipality.

34 (8) The boundaries of the reorganized township constitute the
35 boundaries within which the reorganized municipality shall
36 provide township services after the reorganization.

37 (9) The part of the reorganized township located in the
38 unincorporated area of the county remains outside the
39 corporate boundaries of the reorganized municipality. After
40 the reorganization, the reorganized township shall continue to
41 receive any county services the township received before the
42 reorganization. After the reorganization, the reorganized



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municipality shall provide:

(A) township services to the entire reorganized township; and

(B) municipal services and infrastructure only within the corporate boundaries of the reorganized municipality and not in the unincorporated area of the reorganized township.

(10) The property and liabilities of the reorganized township become the property and liabilities of the reorganized municipality, subject to section 24 of this chapter.

(11) Any reference:

(A) in the Indiana Code;

(B) in the Indiana Administrative Code; or

(C) in any resolution;

to the township board or township legislative body of the reorganized township shall be considered a reference to the appropriate governmental body or officer of the reorganized municipality to which the powers of the township board were transferred under the plan of reorganization.

(12) Any reference:

(A) in the Indiana Code;

(B) in the Indiana Administrative Code; or

(C) in any resolution;

to the township trustee or township executive shall be considered a reference to the appropriate governmental body or officer of the reorganized municipality to which the powers of the township executive were transferred under the plan of reorganization.

Sec. 9. (a) The legislative body of the reorganizing municipality shall prepare a comprehensive plan of reorganization. The plan of reorganization governs the actions, duties, and powers of the reorganized municipality and reorganized township that are not specified by law.

(b) The plan of reorganization must include at least the following:

(1) Subject to section 24 of this chapter, a description of the taxing areas in which taxes to retire obligations of the reorganizing municipality and reorganizing township will be imposed.

(2) A description of the election districts or appointment districts from which municipal officers of the reorganized municipality will be elected or appointed, and the manner in



1 which the membership of each elected or appointed office will
2 be elected or appointed.

3 (3) A description of the township services to be offered by the
4 reorganized municipality within the area of the reorganized
5 township and the service areas in which the township services
6 will be offered.

7 (4) The disposition of the personnel, the agreements, the
8 assets, and, subject to section 24 of this chapter, the liabilities
9 of the reorganizing municipality and the reorganizing
10 township, including the terms and conditions upon which the
11 transfer of property and personnel will be achieved.

12 (5) Any other matter that the legislative body of the
13 reorganizing municipality determines is necessary or
14 appropriate to include in the plan of reorganization.

15 (6) The fiscal impact analysis required by subsection (d).

16 (c) The reorganizing municipality shall post a copy of the plan
17 of reorganization on an Internet web site maintained or authorized
18 by the reorganizing municipality not more than thirty (30) days
19 after the plan of reorganization is prepared by the municipal
20 legislative body. If the plan of reorganization is amended, the
21 reorganizing municipality shall post the amended plan on the
22 Internet web site maintained or authorized by the reorganizing
23 municipality not later than seven (7) days after the amended plan
24 is adopted.

25 (d) The reorganizing municipal legislative body must include in
26 the plan of reorganization a fiscal impact analysis of the proposed
27 reorganization. The fiscal impact analysis must include at least the
28 following:

29 (1) The estimated effect of the proposed reorganization on all
30 taxpayers residing in the reorganizing municipality and
31 reorganizing township, including the expected tax rates, tax
32 levies, expenditure levels, service levels, and annual debt
33 service payments in those political subdivisions.

34 (2) A description of the township services to be provided
35 within the reorganized township by the reorganized
36 municipality and the method or methods of financing the
37 services. The fiscal impact analysis must:

38 (A) present itemized estimated costs for each department
39 or agency of the reorganizing municipality; and

40 (B) explain how specific and detailed expenses will be
41 funded from taxes, fees, grants, and other funding.

42 (3) A description of any capital improvements to be provided



1 in the reorganized township related to the provision of
 2 township services by the reorganized municipality and the
 3 method or methods of financing those capital improvements.

4 (4) Any estimated effects on political subdivisions in the
 5 county that are not participating in the reorganization and on
 6 taxpayers located in those political subdivisions.

7 (e) The legislative body of the reorganizing municipality shall
 8 submit the fiscal impact analysis to the department of local
 9 government finance at least three (3) months before the election in
 10 which the public question will be on the ballot. The municipal
 11 legislative body may not adopt a plan of reorganization unless the
 12 reorganizing municipal legislative body has submitted the fiscal
 13 impact analysis to the department of local government finance. The
 14 department of local government finance must do the following
 15 within a reasonable time, but not later than thirty (30) days before
 16 the date of the election in which the public question will be on the
 17 ballot:

18 (1) Review the fiscal impact analysis.

19 (2) Make any comments concerning the fiscal impact analysis
 20 that the department considers appropriate.

21 (3) Provide the department's comments under subdivision (2)
 22 to the legislative body of the reorganizing municipality and
 23 reorganizing township.

24 (4) Post the department's comments under subdivision (2) on
 25 the department's Internet web site.

26 The department of local government finance shall certify to the
 27 reorganizing municipal legislative body the total amount of
 28 expense incurred by the department in carrying out the
 29 department's review and preparing the department's comments.
 30 Upon receipt of the department of local government finance's
 31 certification of the expenses, the municipality shall immediately
 32 pay to the treasurer of state the amount charged. Money paid by
 33 a reorganizing municipality under this subsection shall be
 34 deposited in the state general fund.

35 Sec. 10. (a) The reorganizing municipal legislative body shall
 36 provide for the following:

37 (1) Consideration of a plan of reorganization in the form of a
 38 resolution incorporating the plan of reorganization in full or
 39 by reference.

40 (2) Reading of the resolution incorporating the plan of
 41 reorganization in at least two (2) separate meetings of the
 42 reorganizing municipal legislative body.



1 **(3) Conducting a public hearing on the plan of reorganization:**

2 **(A) not sooner than five (5) days after notice of the public**
 3 **hearing is published under IC 5-3-1; and**

4 **(B) before the reorganizing municipal legislative body**
 5 **takes final action on the resolution to adopt the plan of**
 6 **reorganization.**

7 **(b) At a public hearing on a plan of reorganization under**
 8 **subsection (a), or in a public meeting held not more than thirty (30)**
 9 **days after the public hearing concludes, the legislative body of a**
 10 **reorganizing municipality shall do one (1) of the following:**

11 **(1) Adopt the plan of reorganization.**

12 **(2) Adopt the plan of reorganization with modifications.**

13 **(3) Reject the plan of reorganization.**

14 **(c) The reorganizing municipal legislative body shall take any**
 15 **of the actions described in subsection (b) on:**

16 **(1) a revised plan of reorganization; and**

17 **(2) each resolution modifying a plan of reorganization or**
 18 **revised plan of reorganization;**

19 **in the same manner as the legislative body may take action on the**
 20 **initially submitted plan of reorganization.**

21 **Sec. 11. When a reorganization plan becomes effective under**
 22 **this chapter, the following occur:**

23 **(1) The resolutions, rules, and bylaws of the reorganizing**
 24 **township government:**

25 **(A) remain in force within the reorganized township; and**

26 **(B) continue in force until amended or repealed by the**
 27 **reorganized municipal legislative body or an**
 28 **administrative body of the reorganized municipality.**

29 **(2) Pending actions that involve the reorganized township**
 30 **government shall be prosecuted to final judgment and**
 31 **execution, and judgments rendered in those actions may be**
 32 **executed and enforced against the reorganized municipality**
 33 **without any change of the name of the plaintiff or defendant.**

34 **Sec. 12. (a) The reorganizing municipal legislative body shall**
 35 **certify the legislative body's final action on a plan of**
 36 **reorganization or revised plan of reorganization, as modified by**
 37 **the legislative body, in the manner prescribed by the department**
 38 **of local government finance, to the following:**

39 **(1) The township trustee of the reorganizing township.**

40 **(2) The county fiscal officer of each county in which the**
 41 **reorganizing municipality and reorganizing township are**
 42 **located.**



- 1 (3) The county recorder of each county in which the
2 reorganizing municipality and reorganizing township are
3 located.
- 4 (4) The county voter registration office of each county in
5 which the reorganizing municipality and reorganizing
6 township are located.
- 7 (5) The department of local government finance.
- 8 (b) Each county recorder receiving a certification under
9 subsection (a) shall record the certification and the plan of
10 reorganization in the records of the county recorder without
11 charge.
- 12 (c) The county recorder shall notify the county election board
13 of each county in which the reorganizing municipality and
14 reorganizing township are located when the certification is
15 received. The county election board shall then prepare and submit
16 ballot language to the department of local government finance.
- 17 Sec. 13. (a) Before the public question on a reorganization under
18 this chapter is placed on the ballot, the municipal legislative body
19 may adopt a resolution to rescind the plan of reorganization
20 previously adopted and certified. The resolution to rescind the plan
21 of reorganization must be certified by the legislative body to the:
- 22 (1) clerk of the reorganizing municipality and the township
23 trustee of the reorganizing township;
- 24 (2) county fiscal officer of each county in which the
25 reorganizing municipality and reorganizing township are
26 located; and
- 27 (3) county recorder of each county in which the reorganizing
28 municipality and reorganizing township are located;
- 29 not later than July 15.
- 30 (b) Each county recorder receiving a certification under
31 subsection (a) shall do the following:
- 32 (1) Record the certification in the records of the county
33 recorder without charge.
- 34 (2) Notify the county election board of each county in which
35 the reorganizing municipality and reorganizing township are
36 located that the public question on the plan of reorganization
37 is not eligible to be placed on the ballot for consideration by
38 the voters of the reorganizing municipality and reorganizing
39 township.
- 40 After the county election board is notified that a public question on
41 a plan of reorganization is not eligible to be placed on the ballot,
42 the county election board shall not place the public question on the



- 1 ballot.
- 2 **Sec. 14. (a) A public question under this chapter shall be placed**
- 3 **on the ballot in all the precincts that are located in the reorganizing**
- 4 **municipality and the unincorporated area of the reorganizing**
- 5 **township in substantially the following form:**
- 6 **(Insert a brief description of the structure of the proposed**
- 7 **reorganized municipality that will succeed the reorganizing**
- 8 **municipality and township.)**
- 9 **"Shall the government of (insert name of municipality) also be**
- 10 **the township government for (insert the name of the**
- 11 **township) and have all the powers and duties to provide**
- 12 **township services throughout (insert name of township)?"**.
- 13 **(b) The public question must appear on the ballot in the form**
- 14 **approved by the county election board in the form prescribed by**
- 15 **IC 3-10-9-4. The county election board shall submit the language**
- 16 **to the department of local government finance for review.**
- 17 **(c) The department of local government finance shall review the**
- 18 **language of the public question to evaluate whether the description**
- 19 **of the reorganized municipality and reorganized township that will**
- 20 **succeed the reorganizing municipality and reorganizing township**
- 21 **is accurate and is not biased against either a vote in favor of the**
- 22 **reorganization or a vote against the reorganization. The**
- 23 **department of local government finance may:**
- 24 **(1) approve the ballot language as submitted; or**
- 25 **(2) modify the ballot language as necessary to ensure that the**
- 26 **description of the reorganized municipality that will succeed**
- 27 **the reorganizing municipality and reorganizing township is**
- 28 **accurate and is not biased.**
- 29 **The department of local government finance shall certify its**
- 30 **approval or recommendations to the county election board not**
- 31 **more than ten (10) days after the language of the public question**
- 32 **is submitted to the department for review. If the department of**
- 33 **local government finance recommends a modification to the ballot**
- 34 **language, the county election board shall, after reviewing the**
- 35 **recommendations of the department of local government finance,**
- 36 **submit modified ballot language to the department for the**
- 37 **department's approval or recommendation of any additional**
- 38 **modifications. The public question may not be certified under**
- 39 **IC 3-10-9-3 unless the department of local government finance has**
- 40 **first certified the department's final approval of the ballot**
- 41 **language for the public question to the county recorder.**
- 42 **(d) When the county recorder receives final approval of the**



1 ballot language under this section, the county recorder shall
 2 immediately certify the public question to the county election
 3 board under IC 3-10-9-3 and file a notice of the certification with
 4 the county auditor. The county election board shall place the public
 5 question on the ballot in accordance with IC 3-10-9 at the next
 6 regularly scheduled general election that will occur in all the
 7 precincts of the reorganizing municipality and reorganizing
 8 township.

9 Sec. 15. IC 3 applies to the election at which a public question
 10 under this chapter is considered.

11 Sec. 16. (a) Except as provided in subsection (b), at the same
 12 time that election results are certified under IC 3, the circuit court
 13 clerk of each of the counties in which a public question under this
 14 chapter is on the ballot shall jointly issue, in the form prescribed by
 15 the Indiana election commission, a certificate declaring whether
 16 the public question is approved or rejected by at least fifty-one
 17 percent (51%) of the sum of the voters residing in the reorganizing
 18 municipality and the reorganizing township. In addition to any
 19 other requirements under IC 3 concerning filing of the
 20 certification, the certification shall be sent to each of the following:

- 21 (1) The township trustee of the reorganizing township.
- 22 (2) The clerk of the reorganizing municipality.
- 23 (3) The county auditor of each county in which the
- 24 reorganizing municipality and reorganizing township are
- 25 located.
- 26 (4) The county recorder of each county in which the
- 27 reorganizing municipality and reorganizing township are
- 28 located.
- 29 (5) The state board of accounts.
- 30 (6) The department of local government finance.
- 31 (7) The department of state revenue.
- 32 (8) The budget agency.

33 (b) The following apply to a public question under this chapter:

- 34 (1) The public question on a plan of reorganization shall be
- 35 placed on the ballot for consideration by the voters of the
- 36 reorganizing municipality and the unincorporated area of the
- 37 reorganizing township.
- 38 (2) The vote on the public question shall be tabulated by
- 39 determining the sum of the votes of voters who reside in the
- 40 reorganizing municipality and the unincorporated area of the
- 41 reorganizing township.
- 42 (3) the circuit court clerk shall issue, in a form prescribed by



1 the Indiana election commission, a certificate regarding
 2 whether the public question is approved or rejected by at least
 3 fifty-one percent (51%) of the sum of voters of:

4 (A) the reorganizing municipality; and

5 (B) the unincorporated area of the reorganizing township.

6 Sec. 17. Each county recorder receiving a certification from a
 7 circuit court clerk under section 16 of this chapter shall file the
 8 certification without charge with the plan of reorganization
 9 recorded under section 13 of this chapter.

10 Sec. 18. (a) The reorganization is approved only if the
 11 percentage of the sum of voters voting on the public question who
 12 reside within the reorganizing municipality and the
 13 unincorporated area of the township vote and that vote in favor of
 14 the proposed reorganization is at least fifty-one percent (51%). If
 15 the reorganization is not approved, the reorganization is
 16 terminated.

17 (b) If the reorganization is approved, the municipality and
 18 township are reorganized in the form and under the conditions
 19 specified in the plan of reorganization filed with the county
 20 recorder under this chapter. The reorganization does not become
 21 effective until officers are elected as provided in section 20 of this
 22 chapter.

23 Sec. 19. (a) This section applies to a reorganization involving a
 24 reorganizing municipality and a reorganizing township that are
 25 participating units in a fire protection territory on the date the
 26 reorganization is approved by voters.

27 (b) The municipal fiscal body may:

28 (1) establish an equipment replacement fund under
 29 IC 36-8-19-8.5 and impose a property tax for the fund as
 30 provided in IC 36-8-19-8.5; and

31 (2) take any other action under IC 36-8-19-8.5 that may be
 32 taken under that section by a participating unit in a fire
 33 protection territory.

34 (c) If a municipality establishes an equipment replacement fund
 35 under IC 36-8-19-8.5 as authorized by this section, the department
 36 of local government finance may adjust the maximum permissible
 37 ad valorem property tax levy that would otherwise apply to the
 38 reorganized political subdivision in the same manner in which the
 39 department may adjust the maximum permissible ad valorem
 40 property tax levy of a civil taxing unit under IC 6-1.1-18.5-10.5
 41 to meet the civil taxing unit's obligations to a fire protection territory
 42 established under IC 36-8-19.



1 **Sec. 20. (a)** At the next general election after the voters approve
 2 a reorganization, one (1) set of officers who also serve as officers
 3 for the reorganized township, shall be elected by the voters of the
 4 reorganizing municipality and the unincorporated area of the
 5 reorganizing township.

6 **(b)** In the election:

7 (1) one (1) member of the legislative body of the reorganizing
 8 municipality shall be elected from each election district
 9 established by the reorganizing municipality by resolution;
 10 and

11 (2) the total number of at large members shall be elected if
 12 prescribed by statute for the reorganizing municipality.

13 **Sec. 21. (a)** The reorganized municipality has the powers
 14 granted by statute to the reorganizing township, including a power
 15 described in subsection (b). However, if authorized by the plan of
 16 reorganization approved by the voters in a public question under
 17 this chapter, the reorganized municipality will exercise a power or
 18 have the officers or number of offices that a statute would have
 19 permitted the reorganizing township to have.

20 **(b)** Except as provided in the plan of reorganization, the
 21 reorganized municipality may also do any of the following:

22 (1) Establish any fund that the reorganizing municipality or
 23 reorganizing township (either acting on its own or jointly with
 24 another political subdivision) was authorized to establish
 25 before the reorganization.

26 (2) Impose any tax levy or adopt any tax that the reorganizing
 27 municipality or reorganizing township was authorized to
 28 impose or adopt before the reorganization.

29 **(c)** Notwithstanding subsection (a), the reorganization of the
 30 municipality and township does not affect the rights, powers, and
 31 duties of a political subdivision located in whole or in part within
 32 the reorganizing municipality or township. The reorganized
 33 municipality may not exercise within the political subdivision any
 34 right, power, or duty unless that right, power, or duty was
 35 exercised within the political subdivision before the reorganization
 36 by the reorganizing municipality or reorganizing township.

37 **Sec. 22. (a)** If a law does not permit the reorganized
 38 municipality to exercise generally throughout the reorganized
 39 township a power that the reorganized municipality or township
 40 had before the reorganization, the reorganized municipality may
 41 exercise the power outside the original territory of the municipality
 42 only by following the laws applicable to the expansion of the



1 service area of the reorganizing municipality.

2 (b) Subject to subsection (a), the reorganized municipality must
3 continue to carry out the duties imposed by Indiana law on the
4 township that reorganized with the municipality.

5 Sec. 23. A plan of reorganization may establish within the
6 reorganized township territories or districts:

7 (1) in which specified township services provided by the
8 municipality will be provided at different levels, quantities, or
9 amounts; and

10 (2) in which the fees, charges, or taxes imposed by the
11 municipality will vary depending on the level, quantity, or
12 amount of the services provided.

13 Sec. 24. The following apply in the case of a reorganization
14 under this article:

15 (1) Indebtedness that was incurred by the reorganizing
16 municipality or reorganizing township before the
17 reorganization:

18 (A) may not be imposed on taxpayers that were not
19 responsible for payment of the indebtedness before the
20 reorganization; and

21 (B) must be paid by the taxpayers that were responsible for
22 payment of the indebtedness before the reorganization.

23 (2) Pension obligations existing as of the effective date of the
24 reorganization:

25 (A) may not be imposed on taxpayers that were not
26 responsible for payment of the pension obligations before
27 the reorganization; and

28 (B) must be paid by the taxpayers that were responsible for
29 payment of the pension obligations before the
30 reorganization.

31 Sec. 25. The following apply in the case of a reorganization
32 under this chapter:

33 (1) If the reorganizing township borrowed money from a
34 township fund under IC 36-6-6-14(c) to pay the operating
35 expenses of the township fire department or a volunteer fire
36 department before the reorganization:

37 (A) the reorganized municipality is not required to repay
38 the entire loan during the following year; and

39 (B) the reorganized municipality may repay the loan in
40 installments during the following five (5) years.

41 (2) Except as provided in subdivision (3):

42 (A) the reorganized municipality continues to be



- 1 responsible after the reorganization for providing
 2 township services in all areas of the township; and
 3 (B) the reorganized municipality retains the powers of a
 4 township after the reorganization in order to provide
 5 township services as required by clause (A).
- 6 (3) Powers and duties of the reorganized municipality may be
 7 transferred as authorized in an interlocal cooperation
 8 agreement approved under IC 36-1-7 or as authorized in a
 9 cooperative agreement approved under IC 36-1.5-5.
- 10 (4) Section 24 of this chapter applies to the debt service levy
 11 of the municipality and to the department of local government
 12 finance's determination of the new maximum permissible ad
 13 valorem property tax levy for the reorganized municipality.
- 14 (5) The reorganized municipality may not borrow money
 15 under IC 36-6-6-14(b) or IC 36-6-6-14(c).
- 16 (6) The new maximum permissible ad valorem property tax
 17 levy for the reorganized municipality's firefighting fund
 18 under IC 36-8-13-4 is equal to:
- 19 (A) the result of:
- 20 (i) the maximum permissible ad valorem property tax
 21 levy for the township's firefighting fund under
 22 IC 36-8-13-4 in the year preceding the year in which the
 23 reorganization is effective; multiplied by
 24 (ii) the assessed value growth quotient applicable for
 25 property taxes first due and payable in the year in which
 26 the reorganization is effective; plus
- 27 (B) any amounts borrowed by the township under
 28 IC 36-6-6-14(b) or IC 36-6-6-14(c) in the year preceding
 29 the year in which the reorganization is effective.
- 30 **Sec. 26.** If the functions of an elected office are transferred to
 31 another elected office by a reorganization under this chapter, any
 32 law, rule, or agreement that requires or permits an action by an
 33 elected officer shall be treated after the functions of the elected
 34 officer are transferred as referring to the elected officer to whom
 35 the functions have been transferred by the reorganization.
- 36 **Sec. 27.** The legislative body of a reorganized municipality may
 37 terminate a reorganization or restore the reorganizing township in
 38 the same manner that a reorganization may be initiated under this
 39 chapter. If the voters in the reorganized municipality and the
 40 unincorporated area of the reorganized township approve a public
 41 question approving termination of the reorganization or
 42 restoration of the reorganizing township, the reorganized



1 **municipality terminates the reorganization and restores the**
2 **reorganizing municipality and reorganizing township in the same**
3 **manner as a reorganization is completed under this chapter.**

4 **Sec. 28. The following apply to a reorganization under this**
5 **chapter:**

6 **(1) IC 36-1.5-4-41.**

7 **(2) IC 36-1.5-4-44.**

8 **(3) IC 36-1.5-4-45.**

9 **(4) IC 36-1.5-4-46.**

