

HOUSE BILL No. 1476

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-1.5.

Synopsis: Reorganization of municipality and township. Allows a municipality in a county (excluding Marion County) to reorganize with a township that has at least 70% of its population within the municipality, if: (1) the municipality adopts a reorganization plan; and (2) more than 50% of the sum of all voters in the municipality and the unincorporated area of the township approve the reorganization plan. Allows the reorganized political subdivision to provide township assistance within the former boundaries of the reorganizing township by contracting with nonprofit organizations.

Effective: July 1, 2021.

Engleman, Clere, Torr

January 14, 2021, read first time and referred to Committee on Government and Regulatory Reform.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1476

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 36-1.5-4-1, AS ADDED BY P.L.186-2006,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 1. (a) Any of the following may reorganize under
4 this chapter:
5 (1) Two (2) or more counties. A county reorganizing under this
6 subdivision must be adjacent to at least one (1) other county
7 participating in the reorganization.
8 (2) Two (2) or more townships located entirely within the same
9 county. A township reorganizing under this subdivision must be
10 adjacent to at least one (1) other township participating in the
11 reorganization.
12 (3) Two (2) or more municipalities. A municipality reorganizing
13 under this subdivision must be adjacent to at least one (1) other
14 municipality participating in the reorganization.
15 (4) Two (2) or more school corporations. A school corporation
16 reorganizing under this subdivision must be adjacent to at least
17 one (1) other school corporation participating in the



- 1 reorganization.
- 2 (5) Two (2) or more municipal corporations, other than a unit or
- 3 a school corporation, that have substantially equivalent powers.
- 4 A municipal corporation reorganizing under this subdivision must
- 5 be adjacent to at least one (1) other municipal corporation
- 6 participating in the reorganization.
- 7 (6) Two (2) or more special taxing districts that are adjacent to at
- 8 least one (1) other special taxing district participating in the
- 9 reorganization.
- 10 (7) A township and a municipality that is located in any part of
- 11 the same township. **The governments of a township and a**
- 12 **municipality may also reorganize under IC 36-1.5-4.5, if at**
- 13 **least seventy percent (70%) of the population of the township**
- 14 **is located within the municipality.**
- 15 (8) A county and one (1) or more townships that are located in the
- 16 county.
- 17 (9) A municipality and a county that does not contain a
- 18 consolidated city.
- 19 (10) A school corporation and a county or municipality in which
- 20 a majority of the students of the school corporation have legal
- 21 settlement (as defined by IC 20-18-2-11).
- 22 (11) A municipal corporation, other than a unit or a school
- 23 corporation, and a county or municipality in which a majority of
- 24 the population of the municipal corporation resides.
- 25 (b) If a political subdivision reorganizes under this article with one
- 26 (1) or more other political subdivisions:
- 27 (1) any political subdivisions that did not participate in the public
- 28 question on the reorganization are not reorganized under this
- 29 article;
- 30 (2) the reorganization affects only those political subdivisions in
- 31 which the reorganization is approved as specified in this article;
- 32 and
- 33 (3) the reorganization does not affect the rights, powers, and
- 34 duties of any political subdivisions in the county in which the
- 35 reorganization is not approved as specified in this article.
- 36 SECTION 2. IC 36-1.5-4-8, AS ADDED BY P.L.186-2006,
- 37 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 38 JULY 1, 2021]: Sec. 8. The department of local government finance
- 39 may prescribe forms for petitions, resolutions, certifications, and other
- 40 writings required under this chapter **and IC 36-1.5-4.5**. A petition,
- 41 resolution, certification, or other writing related to a reorganization
- 42 must be substantially in the form prescribed by the department of local



1 government finance.

2 SECTION 3. IC 36-1.5-4.5 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2021]:

5 **Chapter 4.5. Reorganization of Municipal and Township**
6 **Government**

7 **Sec. 1. This chapter applies only to the reorganization of a**
8 **township and a municipality, if at least seventy percent (70%) of**
9 **the population of the township is located within the boundaries of**
10 **the municipality.**

11 **Sec. 2. This chapter does not apply to a municipality or**
12 **township in Marion County.**

13 **Sec. 3. As used in this chapter, "reorganized political**
14 **subdivision" means the governmental entity that is the successor**
15 **to the reorganizing municipality and reorganizing township after**
16 **a reorganization under this chapter.**

17 **Sec. 4. As used in this chapter, "reorganizing municipality"**
18 **means the municipality that adopts a resolution under section 6 of**
19 **this chapter.**

20 **Sec. 5. As used in this chapter, "reorganizing township" means**
21 **the township named in the resolution adopted under section 6 of**
22 **this chapter.**

23 **Sec. 6. (a) A municipal legislative body may initiate a**
24 **reorganization under this chapter by adopting a resolution**
25 **proposing a reorganization with the township named in the**
26 **resolution.**

27 **(b) The clerk of the reorganizing municipality shall certify the**
28 **resolution to the township trustee and township board of the**
29 **reorganizing township.**

30 **Sec. 7. A reorganization approved under this chapter takes**
31 **effect when the officers of the reorganized political subdivision are**
32 **elected as provided in section 20 of this chapter.**

33 **Sec. 8. When a reorganization under this chapter takes effect,**
34 **the following occur:**

35 **(1) The reorganizing township government and offices of the**
36 **reorganizing township cease to exist and the terms of the**
37 **township trustee and township board of the reorganizing**
38 **township are terminated.**

39 **(2) The reorganizing municipal government and offices of the**
40 **reorganizing municipality cease to exist and the terms of the**
41 **executive of the municipality and legislative body of the**
42 **reorganizing municipality are terminated.**



- 1 (3) If provided for in the approved reorganization plan, the
 2 boundaries of the reorganizing municipality, the reorganizing
 3 township, or both, are adjusted as described in the
 4 reorganization plan. However, the area within the boundaries
 5 of the reorganizing township constitute the service area for
 6 purposes of providing township assistance under section 26 of
 7 this chapter.
- 8 (4) The property and liabilities of the reorganizing township
 9 become the property and liabilities of the reorganized political
 10 subdivision, subject to section 24 of this chapter.
- 11 (5) Any reference:
 12 (A) in the Indiana Code;
 13 (B) in the Indiana Administrative Code; or
 14 (C) in any resolution;
 15 to the township board or township legislative body of a
 16 reorganizing township shall be considered a reference to the
 17 legislative body of the reorganized political subdivision.
- 18 (6) Any reference:
 19 (A) in the Indiana Code;
 20 (B) in the Indiana Administrative Code; or
 21 (C) in any resolution;
 22 to the township trustee or township executive of a
 23 reorganizing township shall be considered a reference to the
 24 executive of the reorganized political subdivision.
- 25 Sec. 9. (a) The municipal legislative body shall prepare a
 26 comprehensive plan of reorganization. The plan of reorganization
 27 governs the actions, duties, and powers of the reorganized political
 28 subdivision that are not specified by law.
- 29 (b) The plan of reorganization must include at least the
 30 following:
- 31 (1) Subject to section 24 of this chapter, a description of the
 32 taxing areas in which taxes to retire obligations of the
 33 reorganizing municipality and reorganizing township will be
 34 imposed.
- 35 (2) A description of the election districts or appointment
 36 districts from which officers of the reorganized political
 37 subdivision will be elected or appointed, and the manner in
 38 which the membership of each elected or appointed office will
 39 be elected or appointed.
- 40 (3) Subject to IC 36-1.5-4-40.5, a description of the services to
 41 be provided by the reorganized political subdivision within
 42 the area of the township including fire protection services,



1 and the service areas in which the services will be provided.

2 (4) A description of the provision of township assistance by
3 contract with qualified providers in accordance with section
4 26 of this chapter.

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

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

13 (7) The fiscal impact analysis required by subsection (d).

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

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

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

32 (2) A description of the services to be provided within the
33 reorganized political subdivision, including fire protection
34 services, and the method or methods of financing services
35 within the reorganized political subdivision. The fiscal impact
36 analysis must:

37 (A) present itemized estimated costs for each department
38 or agency of the reorganizing municipality and
39 reorganizing township; 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 political subdivision and the method or
2 methods of financing those capital improvements.

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

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

17 (1) Review the fiscal impact analysis.

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

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

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

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

27 (1) Consideration of a plan of reorganization in the form of a
28 resolution incorporating the plan of reorganization in full or
29 by reference.

30 (2) Reading of the resolution incorporating the plan of
31 reorganization in at least two (2) separate meetings of the
32 reorganizing municipal legislative body.

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

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

36 (B) before the reorganizing municipal legislative body
37 takes final action on the resolution to adopt the plan of
38 reorganization.

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



- 1 **(1) Adopt the plan of reorganization.**
 2 **(2) Adopt the plan of reorganization with modifications.**
 3 **(3) Reject the plan of reorganization.**
 4 **(c) The reorganizing municipal legislative body shall take any**
 5 **of the actions described in subsection (b) on:**
 6 **(1) a revised plan of reorganization; and**
 7 **(2) each resolution modifying a plan of reorganization or**
 8 **revised plan of reorganization;**
 9 **in the same manner as the legislative body may take action on the**
 10 **initially submitted plan of reorganization.**
 11 **Sec. 11. When a reorganization plan becomes effective under**
 12 **this chapter, the following occur:**
 13 **(1) The resolutions, rules, and bylaws of the reorganizing**
 14 **township government:**
 15 **(A) remain in force within the township; and**
 16 **(B) continue in force until amended or repealed by the**
 17 **reorganized municipal legislative body or an**
 18 **administrative body of the reorganized municipality.**
 19 **(2) Pending actions that involve the reorganizing township**
 20 **government shall be prosecuted to final judgment and**
 21 **execution, and judgments rendered in those actions may be**
 22 **executed and enforced against the reorganized political**
 23 **subdivision without any change of the name of the plaintiff or**
 24 **defendant.**
 25 **Sec. 12. (a) The municipal legislative body shall certify the**
 26 **legislative body's final action on a plan of reorganization or revised**
 27 **plan of reorganization, as modified by the legislative body, in the**
 28 **manner prescribed by the department of local government finance,**
 29 **to the following:**
 30 **(1) The township trustee of the reorganizing township.**
 31 **(2) The county fiscal officer of each county in which the**
 32 **reorganizing municipality and reorganizing township are**
 33 **located.**
 34 **(3) The county recorder of each county in which the**
 35 **reorganizing municipality and reorganizing township are**
 36 **located.**
 37 **(4) The county voter registration office of each county in**
 38 **which the reorganizing municipality and reorganizing**
 39 **township are located.**
 40 **(5) The department of local government finance.**
 41 **(b) Each county recorder receiving a certification under**
 42 **subsection (a) shall record the certification and the plan of**



1 reorganization in the records of the county recorder without
2 charge.

3 (c) The county recorder shall notify the county election board
4 of each county in which the reorganizing municipality and
5 reorganizing township are located when the certification is
6 received. The county election board shall then prepare and submit
7 ballot language to the department of local government finance.

8 Sec. 13. (a) Before the public question on a reorganization under
9 this chapter is placed on the ballot, the municipal legislative body
10 may adopt a resolution to rescind the plan of reorganization
11 previously adopted and certified. The resolution to rescind the plan
12 of reorganization must be certified by the legislative body to the:

- 13 (1) clerk of the reorganizing municipality and the township
- 14 trustee of the reorganizing township;
- 15 (2) county fiscal officer of each county in which the
- 16 reorganizing municipality and reorganizing township are
- 17 located; and
- 18 (3) county recorder of each county in which the reorganizing
- 19 municipality and reorganizing township are located;

20 not later than July 15.

21 (b) Each county recorder receiving a certification under
22 subsection (a) shall do the following:

- 23 (1) Record the certification in the records of the county
- 24 recorder without charge.
- 25 (2) Notify the county election board of each county in which
- 26 the reorganizing municipality and reorganizing township are
- 27 located that the public question on the plan of reorganization
- 28 is not eligible to be placed on the ballot for consideration by
- 29 the voters of the reorganizing municipality and reorganizing
- 30 township.

31 After the county election board is notified that a public question on
32 a plan of reorganization is not eligible to be placed on the ballot,
33 the county election board shall not place the public question on the
34 ballot.

35 Sec. 14. (a) A public question under this chapter shall be placed
36 on the ballot in all the precincts that are located in the reorganizing
37 municipality and the unincorporated area of the reorganizing
38 township in substantially the following form:

39 (Insert a brief description of the structure of the proposed
40 reorganized political subdivision that will succeed the
41 reorganizing municipality and reorganizing township.)
42 "Shall _____ (insert name of municipality) and



- 1 _____ (insert name of township) reorganize as a single
 2 political subdivision?".
- 3 (b) The public question must appear on the ballot in the form
 4 approved by the county election board in the form prescribed by
 5 IC 3-10-9-4. The county election board shall submit the language
 6 to the department of local government finance for review.
- 7 (c) The department of local government finance shall review the
 8 language of the public question to evaluate whether the description
 9 of the reorganized political subdivision that will succeed the
 10 reorganizing municipality and reorganizing township is accurate
 11 and is not biased against either a vote in favor of the
 12 reorganization or a vote against the reorganization. The
 13 department of local government finance may:
- 14 (1) approve the ballot language as submitted; or
 - 15 (2) modify the ballot language as necessary to ensure that the
 16 description of the reorganized political subdivision that will
 17 succeed the reorganizing municipality and reorganizing
 18 township is accurate and is not biased.
- 19 The department of local government finance shall certify its
 20 approval or recommendations to the county election board not
 21 more than ten (10) days after the language of the public question
 22 is submitted to the department for review. If the department of
 23 local government finance recommends a modification to the ballot
 24 language, the county election board shall, after reviewing the
 25 recommendations of the department of local government finance,
 26 submit modified ballot language to the department for the
 27 department's approval or recommendation of any additional
 28 modifications. The public question may not be certified under
 29 IC 3-10-9-3 unless the department of local government finance has
 30 first certified the department's final approval of the ballot
 31 language for the public question to the county recorder.
- 32 (d) When the county recorder receives final approval of the
 33 ballot language under this section, the county recorder shall
 34 immediately certify the public question to the county election
 35 board under IC 3-10-9-3 and file a notice of the certification with
 36 the county auditor. The county election board shall place the public
 37 question on the ballot in accordance with IC 3-10-9 at the next
 38 regularly scheduled general election that will occur in all the
 39 precincts of the reorganizing municipality and reorganizing
 40 township.
- 41 Sec. 15. IC 3 applies to the election at which a public question
 42 under this chapter is considered.



1 **Sec. 16. (a) Except as provided in subsection (b), at the same**
 2 **time that election results are certified under IC 3, the circuit court**
 3 **clerk of each of the counties in which a public question under this**
 4 **chapter is on the ballot shall jointly issue, in the form prescribed by**
 5 **the Indiana election commission, a certificate declaring whether**
 6 **the public question is approved or rejected by a majority of the**
 7 **sum of the voters voting on the public question in the reorganizing**
 8 **municipality and the unincorporated area of the reorganizing**
 9 **township. In addition to any other requirements under IC 3**
 10 **concerning filing of the certification, the certification shall be sent**
 11 **to each of the following:**

- 12 **(1) The township trustee of the reorganizing township.**
 13 **(2) The clerk of the reorganizing municipality.**
 14 **(3) The county auditor of each county in which the**
 15 **reorganizing municipality and reorganizing township are**
 16 **located.**
 17 **(4) The county recorder of each county in which the**
 18 **reorganizing municipality and reorganizing township are**
 19 **located.**
 20 **(5) The state board of accounts.**
 21 **(6) The department of local government finance.**
 22 **(7) The department of state revenue.**
 23 **(8) The budget agency.**

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

- 25 **(1) The public question on a plan of reorganization shall be**
 26 **placed on the ballot for consideration by the voters of the**
 27 **reorganizing municipality and the unincorporated area of the**
 28 **reorganizing township.**
 29 **(2) The vote on the public question shall be tabulated by**
 30 **determining the sum of the votes of voters who reside in the**
 31 **reorganizing municipality and the unincorporated area of the**
 32 **reorganizing township.**
 33 **(3) The circuit court clerk shall issue, in a form prescribed by**
 34 **the Indiana election commission, a certificate regarding**
 35 **whether the public question is approved or rejected by the**
 36 **sum of the voters of the reorganizing municipality and**
 37 **unincorporated area of the reorganizing township voting on**
 38 **the public question.**

39 **Sec. 17. Each county recorder receiving a certification from a**
 40 **circuit court clerk under section 16 of this chapter shall file the**
 41 **certification without charge with the plan of reorganization**
 42 **recorded under section 12 of this chapter.**



1 **Sec. 18. (a)** The reorganization is approved only if the
2 percentage of the sum of the voters voting on the public question
3 who:

- 4 (1) reside within the reorganizing municipality and the
 - 5 unincorporated area of the reorganizing township; and
 - 6 (2) vote in favor of the proposed reorganization;
- 7 is greater than fifty percent (50%). If the reorganization is not
8 approved, the reorganization is terminated.

9 **(b)** If the reorganization is approved, the municipality and
10 township are reorganized in the form and under the conditions
11 specified in the plan of reorganization filed with the county
12 recorder under this chapter. The reorganization does not become
13 effective until officers are elected as provided in section 20 of this
14 chapter.

15 **Sec. 19. (a)** This section applies to a reorganization involving a
16 reorganizing municipality and a reorganizing township that are
17 participating units in a fire protection territory on the date the
18 reorganization is approved by voters.

- 19 **(b)** The fiscal body of the reorganized political subdivision may:
 - 20 (1) establish an equipment replacement fund under
 - 21 IC 36-8-19-8.5 and impose a property tax for the fund as
 - 22 provided in IC 36-8-19-8.5; and
 - 23 (2) take any other action under IC 36-8-19-8.5 that may be
 - 24 taken under that section by a participating unit in a fire
 - 25 protection territory.

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

36 **Sec. 20.** At the next general election after the voters approve a
37 reorganization, one (1) set of officers for the reorganized political
38 subdivision shall be elected by the voters residing in the
39 reorganizing municipality and in the unincorporated area of the
40 reorganizing township. In the election:

- 41 (1) one (1) member of the legislative body of the reorganized
- 42 political subdivision shall be elected from each election



1 district established by the reorganizing municipality by
2 resolution; and

3 (2) the total number of at-large members shall be elected if
4 prescribed by statute for the reorganizing political
5 subdivision.

6 **Sec. 21. (a)** The reorganized political subdivision has the powers
7 granted by statute to the reorganizing township or reorganizing
8 municipality, including a power described in subsection (b).
9 However, if authorized by the plan of reorganization approved by
10 the voters in a public question under this chapter, the reorganized
11 political subdivision will exercise a power or have the officers or
12 number of offices that a statute would have permitted the
13 reorganizing township to have.

14 (b) Except as provided in the plan of reorganization, the
15 reorganized political subdivision may also do any of the following:

16 (1) Establish any fund that the reorganizing municipality or
17 reorganizing township (either acting on its own or jointly with
18 another political subdivision) was authorized to establish
19 before the reorganization.

20 (2) Impose any tax levy or adopt any tax that the reorganizing
21 municipality or reorganizing township was authorized to
22 impose or adopt before the reorganization.

23 (c) Notwithstanding subsection (a), the reorganization of the
24 municipality and township does not affect the rights, powers, and
25 duties of a political subdivision located in whole or in part within
26 the reorganizing municipality or township. The reorganized
27 political subdivision may not exercise within the political
28 subdivision any right, power, or duty unless that right, power, or
29 duty was exercised within the political subdivision before the
30 reorganization by the reorganizing municipality or reorganizing
31 township.

32 **Sec. 22. (a)** If a law does not permit the reorganized political
33 subdivision to exercise generally throughout the reorganized
34 political subdivision a power that the reorganized municipality or
35 reorganized township had before the reorganization, the
36 reorganized political subdivision may exercise the power outside
37 the original territory of the municipality only by following the laws
38 applicable to the expansion of the service area of the reorganizing
39 municipality.

40 (b) Subject to subsection (a), the reorganized political
41 subdivision shall continue to carry out the duties imposed by
42 Indiana law on the township that reorganized with the



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municipality.

Sec. 23. A plan of reorganization may establish within a reorganized political subdivision territories or districts:

- (1) in which specified township services provided by the municipality will be provided at different levels, quantities, or amounts; and**
- (2) in which the fees, charges, or taxes imposed by the municipality will vary depending on the level, quantity, or amount of the services provided.**

Sec. 24. The following apply in the case of a reorganization under this chapter:

- (1) Indebtedness that was incurred by the reorganizing municipality or reorganizing township before the reorganization:**
 - (A) may not be imposed on taxpayers that were not responsible for payment of the indebtedness before the reorganization; and**
 - (B) must be paid by the taxpayers that were responsible for payment of the indebtedness before the reorganization.**
- (2) Pension obligations existing as of the effective date of the reorganization:**
 - (A) may not be imposed on taxpayers that were not responsible for payment of the pension obligations before the reorganization; and**
 - (B) must be paid by the taxpayers that were responsible for payment of the pension obligations before the reorganization.**

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

- (1) If the reorganizing township borrowed money from a township fund under IC 36-6-6-14(c) to pay the operating expenses of the township fire department or a volunteer fire department before the reorganization:**
 - (A) the reorganized political subdivision is not required to repay the entire loan during the following year; and**
 - (B) the reorganized political subdivision may repay the loan in installments during the following five (5) years.**
- (2) Except as provided in subdivision (3):**
 - (A) the reorganized political subdivision continues to be responsible after the reorganization for providing township services in all areas of the township; and**
 - (B) subject to section 26 of this chapter, the reorganized**



- 1 political subdivision retains the powers of a township after
2 the reorganization in order to provide township services as
3 required by clause (A).
- 4 **(3) Powers and duties of the reorganized political subdivision**
5 **may be transferred as authorized in an interlocal cooperation**
6 **agreement approved under IC 36-1-7 or as authorized in a**
7 **cooperative agreement approved under IC 36-1.5-5.**
- 8 **(4) Section 23 of this chapter applies to the debt service levy**
9 **of the municipality and to the department of local government**
10 **finance's determination of the new maximum permissible ad**
11 **valorem property tax levy for the reorganized political**
12 **subdivision.**
- 13 **(5) The reorganized political subdivision may not borrow**
14 **money under IC 36-6-6-14(b) or IC 36-6-6-14(c).**
- 15 **(6) The new maximum permissible ad valorem property tax**
16 **levy for the reorganized political subdivision's firefighting**
17 **fund under IC 36-8-13-4 is equal to:**
- 18 **(A) the result of:**
- 19 **(i) the maximum permissible ad valorem property tax**
20 **levy for the township's firefighting fund under**
21 **IC 36-8-13-4 in the year preceding the year in which the**
22 **reorganization is effective; multiplied by**
- 23 **(ii) the assessed value growth quotient applicable for**
24 **property taxes first due and payable in the year in which**
25 **the reorganization is effective; plus**
- 26 **(B) any amounts borrowed by the township under**
27 **IC 36-6-6-14(b) or IC 36-6-6-14(c) in the year preceding**
28 **the year in which the reorganization is effective.**
- 29 **Sec. 26. As used in this section, "qualified provider" means a**
30 **nonprofit social services organization, nonprofit human services**
31 **organization, nonprofit community organization, or other**
32 **nonprofit organization that provides support to those in need. A**
33 **reorganized political subdivision may provide all township**
34 **assistance within the former boundaries of the reorganizing**
35 **township by contracting with qualified service providers to provide**
36 **township assistance in accordance with the township assistance**
37 **standards adopted by the legislative body of the reorganized**
38 **political subdivision under IC 12-20-5.5-2. The reorganized**
39 **political subdivision may fund township assistance from taxes**
40 **collected as a result of the township assistance tax rate and**
41 **credited to the township assistance fund. A qualified service**
42 **provider may use money the provider is paid from the township**



1 assistance fund to provide grants of township assistance to
2 individuals and to augment the qualified provider's programs that
3 provide services consistent with the township standards. The
4 reorganized political subdivision shall bid the contract under this
5 section by issuing a request for proposals under IC 5-22-9.

6 **Sec. 27.** If the functions of an elected office are transferred to
7 another elected office by a reorganization under this chapter, any
8 law, rule, or agreement that requires or permits an action by an
9 elected officer shall be treated after the functions of the elected
10 officer are transferred as referring to the elected officer to whom
11 the functions have been transferred by the reorganization.

12 **Sec. 28.** The legislative body of a reorganized political
13 subdivision may terminate a reorganization or restore the
14 reorganizing township in the same manner that a reorganization
15 may be initiated under this chapter. If the voters in the reorganized
16 political subdivision approve a public question approving
17 termination of the reorganization or restoration of the
18 reorganizing township, the reorganized political subdivision
19 terminates the reorganization and restores the reorganizing
20 municipality and reorganizing township in the same manner as a
21 reorganization is completed under this chapter.

22 **Sec. 29.** The provisions of IC 36-1.5 apply to a reorganization
23 under this chapter to the extent that the provisions of IC 36-1.5 are
24 applicable and do not conflict with this chapter.

