



January 19, 2024

SENATE BILL No. 156

DIGEST OF SB 156 (Updated January 18, 2024 12:09 pm - DI 140)

Citations Affected: IC 36-5.

Synopsis: Dissolution or name change of town. Establishes the following procedure for dissolving a town or changing the name of a town: (1) Requires at least 5% of the registered voters of the town to file a petition for town dissolution or name change with the county auditor. (2) Requires the county commissioners to hold a hearing on a petition. (3) Requires approval of a public question by the town's voters by an affirmative vote of at least 2/3 of the voters voting on the public question. Provides, in the case of a town dissolution, for disposition of funds, property, and records of a dissolved town. Repeals statutes relating to: (1) town dissolutions; and (2) changing the name of a town.

Effective: July 1, 2024.

Buck

January 8, 2024, read first time and referred to Committee on Local Government.
January 18, 2024, reported favorably — Do Pass.

SB 156—LS 6584/DI 87



January 19, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE BILL No. 156

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 36-5-1-11.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11.5. A locality that:
3 (1) has elected town officers and has governed itself as a town for
4 at least ten (10) years preceding September 1, 1988; or
5 (2) has been incorporated under this chapter after August 31,
6 1988;
7 is a town for all purposes unless the town has been dissolved under this
8 chapter ~~or (before its amendment in 2024)~~, IC 36-5-1.1 **(before its**
9 **repeal), or IC 36-5-1.3.**
10 SECTION 2. IC 36-5-1-12 IS REPEALED [EFFECTIVE JULY 1,
11 2024]. Sec. 12: (a) ~~Proceedings to dissolve a town may be instituted~~
12 ~~under either this section or IC 36-5-1.1.~~
13 (b) ~~A proceeding under this section may be instituted to either~~
14 ~~dissolve the town or change its name. The proceeding is instituted by~~
15 ~~filing a petition with the town clerk. The petition must be signed by at~~
16 ~~least the number of the voters of the town required to place a candidate~~
17 ~~on the ballot under IC 3-8-6-3; must be verified by at least one (1) of~~

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1 the petitioners, and must include the reasons for the dissolution or
2 change of name.

3 SECTION 3. IC 36-5-1-13 IS REPEALED [EFFECTIVE JULY 1,
4 2024]. Sec. 13: A petition filed under section 12 of this chapter must
5 be accompanied by a bond for costs and expenses, payable to and
6 approved by the town legislative body. The petitioners shall pay all
7 costs and expenses incurred under this chapter, including the expenses
8 of an election, if their petition is not successful.

9 SECTION 4. IC 36-5-1-14 IS REPEALED [EFFECTIVE JULY 1,
10 2024]. Sec. 14: When a petition is filed under section 12 of this
11 chapter, the town clerk shall give notice of the filing and of the day of
12 a hearing on the petition, in the manner prescribed by IC 5-3-1.

13 SECTION 5. IC 36-5-1-15 IS REPEALED [EFFECTIVE JULY 1,
14 2024]. Sec. 15: (a) On the date named in the notice given under section
15 14 of this chapter, the town legislative body shall hear and consider:

16 (1) the petition; and

17 (2) all statements presented in favor of or in opposition to
18 granting the petition.

19 The legislative body shall then decide whether there is sufficient cause
20 to submit the question of dissolving the town or changing its name to
21 the voters of the town.

22 (b) A petitioner who wants to withdraw the petitioner's name from
23 the petition must do so before the legislative body makes its decision.
24 The legislative body may not count names withdrawn from the petition
25 as part of the total required by section 12 of this chapter.

26 SECTION 6. IC 36-5-1-16 IS REPEALED [EFFECTIVE JULY 1,
27 2024]. Sec. 16: If the town legislative body decides to submit the
28 question of dissolving the town or changing its name to the voters of
29 the town, it shall certify the question to the county election board. The
30 election board shall fix the date of an election for that purpose. The
31 town clerk shall give notice of the election in the manner prescribed by
32 IC 5-3-1.

33 SECTION 7. IC 36-5-1-17 IS REPEALED [EFFECTIVE JULY 1,
34 2024]. Sec. 17: (a) An election under section 16 of this chapter shall be
35 held in the town. The voters shall, by ballot, vote on the question
36 submitted to them. The question shall be placed on the ballot in the
37 form prescribed by IC 3-10-9-4 and must state "Shall the town of
38 _____ dissolve?" or "Shall the town of
39 _____ change its name to _____?".

40 (b) Within four (4) days after the canvass of the vote by the county
41 election board, the town clerk shall prepare and attest a statement of all
42 the votes cast at the election, to be signed by the members of the county



1 election board and filed with:

- 2 (1) the clerk of the county in which the greatest percentage of the
3 population of the town is located; and
4 (2) the office of the secretary of state.

5 SECTION 8. IC 36-5-1-18 IS REPEALED [EFFECTIVE JULY 1,
6 2024]. Sec. 18: (a) If at least two-thirds (2/3) of the votes cast in an
7 election under section 16 of this chapter are affirmative, the dissolution
8 or change of name takes effect in the manner prescribed by this section:

9 (b) A change of name takes effect thirty (30) days after the filing of
10 the statement required by section 17 of this chapter:

11 (c) A dissolution takes effect six (6) months after the filing of the
12 statement required by section 17 of this chapter. The property owned
13 by the town after payment of debts and liabilities shall be disposed of
14 in the manner chosen by a majority of the voters of the town at a
15 special election for that purpose. Dissolution of a town does not affect
16 the validity of a contract to which the town is a party.

17 SECTION 9. IC 36-5-1-19 IS REPEALED [EFFECTIVE JULY 1,
18 2024]. Sec. 19: (a) A person aggrieved by a decision made by the town
19 legislative body under section 15 of this chapter or by the result of an
20 election under section 16 of this chapter may, within thirty (30) days,
21 appeal that decision or result to the circuit court for the county in which
22 the town is located. The appeal is instituted by giving written notice to
23 the town legislative body and filing with the town clerk a bond in the
24 sum of five hundred dollars (\$500); with surety approved by the
25 legislative body. The bond must provide that the appeal will be duly
26 prosecuted and that the appellants will pay all costs if the appeal is
27 decided against them.

28 (b) When an appeal is instituted, the town clerk shall file with the
29 clerk of the circuit court a transcript of all proceedings in the case,
30 together with all papers filed in the case. The town legislative body
31 may not take further action in the case until the appeal is heard and
32 determined.

33 (c) An appeal under this section shall be heard by the circuit court
34 without a jury. Change of venue from the judge may be granted; but
35 change of venue from the county may not be granted.

36 SECTION 10. IC 36-5-1-20 IS REPEALED [EFFECTIVE JULY 1,
37 2024]. Sec. 20: (a) This section does not apply to a town described by
38 IC 36-5-1-11.5:

39 (b) A town subject to this chapter may be dissolved if the county
40 election board of the county in which the greatest percentage of
41 population of the town is located conducts a public hearing and finds
42 that the town has not elected town officers or had a functioning town



1 government during the preceding ten (10) years.

2 (c) The county election board shall certify the board's findings to the
3 county executive, who may adopt an ordinance or (in a county subject
4 to IC 36-2-3.5) issue an order to dissolve the town.

5 SECTION 11. IC 36-5-1.1 IS REPEALED [EFFECTIVE JULY 1,
6 2024]. (Dissolution of Small Towns).

7 SECTION 12. IC 36-5-1.2 IS REPEALED [EFFECTIVE JULY 1,
8 2024]. (Change of Name of a Small Town).

9 SECTION 13. IC 36-5-1.3 IS ADDED TO THE INDIANA CODE
10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2024]:

12 **Chapter 1.3. Dissolution of Towns**

13 **Sec. 1. This chapter applies to the dissolution of a town.**

14 **Sec. 2. For purposes of this chapter, "county auditor" refers to**
15 **the county auditor of the county that contains the largest**
16 **percentage of the population of the town, unless otherwise**
17 **provided in this chapter.**

18 **Sec. 3. For purposes of this chapter, "county commissioners"**
19 **refers to the following, unless otherwise provided in this chapter:**

- 20 (1) In a county having a consolidated city, the board of
21 commissioners of the county as provided in IC 36-3-1-5(b).
22 (2) In a county other than a county having a consolidated city,
23 the county executive of the county that contains the largest
24 percentage of the population of the town.

25 **Sec. 4. (a) A proceeding to dissolve a town is instituted by filing**
26 **a petition with the county auditor.**

27 **(b) A petition under this section must satisfy all of the following:**

- 28 (1) The petition must be signed by at least five percent (5%)
29 of the town's registered voters.
30 (2) The petition must be verified by at least one (1) of the
31 petitioners.
32 (3) The petition must include the reasons for the dissolution of
33 the town.

34 **(c) A petitioner who wants to withdraw the petitioner's name**
35 **from the petition must do so before the hearing held under section**
36 **6 of this chapter.**

37 **Sec. 5. (a) If a petition is filed under section 4 of this chapter, the**
38 **county auditor shall give notice of the filing and of the date of a**
39 **hearing on the petition in the manner prescribed by IC 5-3-1.**

40 **(b) The hearing required by section 6 of this chapter must be**
41 **held at least sixty (60) days and not more than ninety (90) days**
42 **after the date of the filing of the petition.**



1 **Sec. 6. (a) On the date stated in the notice given under section 5**
 2 **of this chapter, the county commissioners shall:**

3 **(1) allow the town residents to submit testimony regarding the**
 4 **dissolution of the town; and**

5 **(2) hear and consider:**

6 **(A) the petition; and**

7 **(B) all statements presented in favor of or in opposition to**
 8 **the dissolution of the town.**

9 **(b) At the conclusion of the hearing held under this section, the**
 10 **county commissioners shall adopt a resolution approving or**
 11 **disapproving the dissolution of the town. If the county**
 12 **commissioners:**

13 **(1) disapprove the town's dissolution, the proceedings to**
 14 **dissolve the town are terminated; or**

15 **(2) approve the town's dissolution, the county commissioners**
 16 **shall determine at which election a public question shall be**
 17 **placed on the ballot under section 7 of this chapter.**

18 **Sec. 7. The county commissioners may determine that the public**
 19 **question is placed on the ballot at any of the following elections:**

20 **(1) The next primary election that is held in the precincts in**
 21 **the town, if that primary election is more than ninety (90)**
 22 **days and less than one hundred eighty (180) days from the**
 23 **date of the hearing.**

24 **(2) The next general election that is held in the precincts in the**
 25 **town, if that general election is more than ninety (90) days**
 26 **and less than one hundred eighty (180) days from the date of**
 27 **the hearing.**

28 **(3) A special election held at a date determined by the county**
 29 **commissioners. However, a special election may not be held**
 30 **for a public question under this subdivision if the public**
 31 **question may be placed on the ballot under subdivision (1) or**
 32 **(2).**

33 **Sec. 8. The county commissioners shall certify the public**
 34 **question to the county election board of each county in which**
 35 **precincts of the town are located. The county election boards shall**
 36 **give notice of the election in the manner prescribed by IC 5-3-1.**

37 **Sec. 9. (a) A public question shall be placed on the ballot in the**
 38 **precincts of the town at the election as determined under section 7**
 39 **of this chapter.**

40 **(b) The public question shall be placed on the ballot in the form**
 41 **prescribed by IC 3-10-9-4 and must state the following:**

42 **"Shall the town of _____ be dissolved?"**



1 (c) The county election boards shall tabulate, canvass, and
2 report the results of the public question as provided under IC 3-12.

3 (d) The county election boards shall report the results of the
4 vote on the public question to each of the following:

5 (1) The town clerk.

6 (2) The circuit court clerk of each county in which the town is
7 located.

8 (3) The county executive of each county in which the town is
9 located.

10 (4) The county auditor of each county in which the town is
11 located.

12 (5) The department of local government finance.

13 (6) The department of state revenue.

14 (7) The state board of accounts.

15 (8) The office of the secretary of state.

16 (9) The office of census data established by IC 2-5-1.1-12.2.

17 (10) The election division.

18 Sec. 10. If at least two-thirds (2/3) of the votes cast on the public
19 question under this chapter are in favor of dissolving the town, the
20 dissolution of the town takes effect six (6) months after the date of
21 the report of the results of the vote on the public question under
22 section 9(d) of this chapter.

23 Sec. 11. (a) The county must pay the cost of the notice by the
24 county auditor under section 5 of this chapter and any expenses
25 incurred in conducting the hearing under section 6 of this chapter.

26 (b) If a public question is placed on the ballot, the county must
27 also pay the costs of the election relating to the public question.

28 Sec. 12. If an attempt to dissolve a town is unsuccessful, further
29 attempts to dissolve the town may not be made for three (3) years
30 after the date of:

31 (1) the county commissioner's resolution disapproving the
32 dissolution under section 6 of this chapter; or

33 (2) the report of the results of the vote on the public question
34 under section 9(d) of this chapter in which voters did not
35 approve the dissolution of the town.

36 Sec. 13. (a) This section applies if a town is dissolved as provided
37 in this chapter.

38 (b) The property owned by a dissolved town after payment of
39 debts and liabilities shall be disposed of by the county executive of
40 the county in which the property is located.

41 (c) Any money remaining after payment of a dissolved town's
42 debts and liabilities shall be deposited in the general fund of each



1 county in which the dissolved town was located, in proportion to
2 the assessed value of the dissolved town in each county.

3 (d) Beginning with the date of the town's dissolution, the
4 following apply:

5 (1) Any town ordinance relating to the dissolved town's
6 budget, tax rates, and tax levies for the calendar year is void.

7 (2) A budget, tax rate, and tax levy may not be certified for
8 the dissolved town.

9 (3) Any distribution of funds due to the dissolved town from
10 the state shall be paid to the county. The county shall deposit
11 any payments made by the state under this subdivision in the
12 county's general fund.

13 (e) Dissolution of a town does not affect the validity of a contract
14 to which the town is a party.

15 (f) After dissolution, the books and records of a dissolved town
16 become the property of the county executive of the county in which
17 the greatest assessed value of the dissolved town is located.

18 (g) If a dissolved town was located in more than one (1) county,
19 the county executives may enter into appropriate agreements
20 concerning the disposition of the property of the dissolved town,
21 access to the dissolved town records, and other matters considered
22 relevant by the county executives of the respective counties.

23 SECTION 14. IC 36-5-1.4 IS ADDED TO THE INDIANA CODE
24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2024]:

26 **Chapter 1.4. Town Name Change**

27 **Sec. 1.** This chapter applies to a change of the name of a town.

28 **Sec. 2.** For purposes of this chapter, "county auditor" refers to
29 the county auditor of the county that contains the largest
30 percentage of the population of the town, unless otherwise
31 provided in this chapter.

32 **Sec. 3.** For purposes of this chapter, "county commissioners"
33 refers to the following, unless otherwise provided in this chapter:

34 (1) In a county having a consolidated city, the board of
35 commissioners of the county as provided in IC 36-3-1-5(b).

36 (2) In a county other than a county having a consolidated city,
37 the county executive of the county that contains the largest
38 percentage of the population of the town.

39 **Sec. 4. (a)** A proceeding to change the name of a town is
40 instituted by filing a petition with the county auditor.

41 (b) A petition under this section must satisfy all of the following:

42 (1) The petition must be signed by at least five percent (5%)



- 1 of the town's registered voters.
- 2 (2) The petition must be verified by at least one (1) of the
- 3 petitioners.
- 4 (3) The petition must include the reasons for the change of the
- 5 name of the town.
- 6 (c) A petitioner who wants to withdraw the petitioner's name
- 7 from the petition must do so before the hearing held under section
- 8 6 of this chapter.
- 9 Sec. 5. (a) If a petition is filed under section 4 of this chapter, the
- 10 county auditor shall give notice of the filing and of the date of a
- 11 hearing on the petition in the manner prescribed by IC 5-3-1.
- 12 (b) The hearing required by section 6 of this chapter must be
- 13 held at least sixty (60) days and not more than ninety (90) days
- 14 after the date of the filing of the petition.
- 15 Sec. 6. (a) On the date stated in the notice given under section 5
- 16 of this chapter, the county commissioners shall:
- 17 (1) allow the town residents to submit testimony regarding
- 18 changing the name of the town; and
- 19 (2) hear and consider:
- 20 (A) the petition; and
- 21 (B) all statements presented in favor of or in opposition to
- 22 changing the name of the town.
- 23 (b) At the conclusion of the hearing held under this section, the
- 24 county commissioners shall adopt a resolution approving or
- 25 disapproving changing the name of the town. If the county
- 26 commissioners:
- 27 (1) disapprove the town's change of name, the proceedings to
- 28 change the name of the town are terminated; or
- 29 (2) approve the town's change of name, the county
- 30 commissioners shall determine at which election a public
- 31 question shall be placed on the ballot under section 7 of this
- 32 chapter.
- 33 Sec. 7. The county commissioners may determine that the public
- 34 question is placed on the ballot at any of the following elections:
- 35 (1) The next primary election that is held in the precincts in
- 36 the town, if that primary election is more than ninety (90)
- 37 days and less than one hundred eighty (180) days from the
- 38 date of the hearing.
- 39 (2) The next general election that is held in the precincts in the
- 40 town, if that general election is more than ninety (90) days
- 41 and less than one hundred eighty (180) days from the date of
- 42 the hearing.



1 (3) A special election held at a date determined by the county
2 commissioners. However, a special election may not be held
3 for a public question under this subdivision if the public
4 question may be placed on the ballot under subdivision (1) or
5 (2).

6 Sec. 8. The county commissioners shall certify the public
7 question to the county election board of each county in which
8 precincts of the town are located. The county election boards shall
9 give notice of the election in the manner prescribed by IC 5-3-1.

10 Sec. 9. (a) A public question shall be placed on the ballot in the
11 precincts of the town at the election as determined under section 7
12 of this chapter.

13 (b) The public question shall be placed on the ballot in the form
14 prescribed by IC 3-10-9-4 and must state the following:

15 "Shall the town of _____ change its name to
16 _____?"

17 (c) The county election boards shall tabulate, canvass, and
18 report the results of the public question as provided under IC 3-12.

19 (d) The county election boards shall report the results of the
20 vote on the public question to each of the following:

- 21 (1) The town clerk.
- 22 (2) The circuit court clerk of each county in which the town is
- 23 located.
- 24 (3) The county executive of each county in which the town is
- 25 located.
- 26 (4) The county auditor of each county in which the town is
- 27 located.
- 28 (5) The department of local government finance.
- 29 (6) The department of state revenue.
- 30 (7) The state board of accounts.
- 31 (8) The office of the secretary of state.
- 32 (9) The office of census data established by IC 2-5-1.1-12.2.
- 33 (10) The election division.

34 Sec. 10. If at least two-thirds (2/3) of the votes cast on the public
35 question under this chapter are in favor of the change of the name
36 of the town, the change of name takes effect thirty (30) days after
37 the date of the report of the results of the vote on the public
38 question under section 9(d) of this chapter.

39 Sec. 11. (a) The county must pay the cost of the notice by the
40 county auditor under section 5 of this chapter and any expenses
41 incurred in conducting the hearing under section 6 of this chapter.

42 (b) If a public question is placed on the ballot, the county must



1 also pay the costs of the election relating to the public question.
2 **Sec. 12. If an attempt to change the name of a town is**
3 **unsuccessful, further attempts to change the name of the town may**
4 **not be made for three (3) years after the date of:**
5 **(1) the county commissioner's resolution disapproving the**
6 **change of the name of the town under section 6 of this**
7 **chapter; or**
8 **(2) the report of the results of the vote on the public question**
9 **under section 9(d) of this chapter in which voters did not**
10 **approve the change of the name of the town.**



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 156, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 156 as introduced.)

BUCK, Chairperson

Committee Vote: Yeas 9, Nays 0

