



February 28, 2020

ENGROSSED SENATE BILL No. 365

DIGEST OF SB 365 (Updated February 26, 2020 5:13 pm - DI 134)

Citations Affected: IC 36-1.

Synopsis: Town of Griffith. Changes the definition of "eligible municipality". Provides that if at least 2/3 of the voters voting in a special election held in the town of Griffith (town) on the public question of whether the territory of the town should be transferred to an adjacent township vote "yes" on the public question: (1) the legislative body of the eligible municipality may submit a petition to one or more adjacent townships within two years after the special election requesting that the adjacent township accept transfer of the territory of the town; (2) the legislative body of an adjacent township that receives a petition for the transfer of the town's territory may adopt a resolution accepting the transfer before the later of December 31 of the year in which the petition is received or the ninetieth day after the date that the petition is received; and (3) if no legislative body of an adjacent township to which a petition for transfer was submitted by the town accepts the transfer before July 1, 2020, the territory of the town is automatically transferred to the adjacent township with the greatest assessed value effective January 1, 2022.

Effective: Upon passage.

Niemeyer, Buck

(HOUSE SPONSORS — SOLIDAY, AYLESWORTH)

January 13, 2020, read first time and referred to Committee on Local Government.
January 23, 2020, amended, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.
January 28, 2020, reported favorably — Do Pass.
January 30, 2020, read second time, ordered engrossed. Engrossed.
February 4, 2020, read third time, passed. Yeas 40, nays 9.

HOUSE ACTION

February 11, 2020, read first time and referred to Committee on Ways and Means.
February 27, 2020, amended, reported — Do Pass.

ES 365—LS 7186/DI 129



February 28, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 365

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 36-1-1.5-2, AS AMENDED BY P.L.249-2015,
2 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible
4 municipality" means a municipality that:
5 (1) includes any territory located in a township for which the
6 township assistance property tax rate for property taxes first due
7 and payable ~~in 2015~~ **or in any year thereafter after 2014 and**
8 **before 2024** is more than:
9 (A) the statewide average township assistance property tax rate
10 for property taxes first due and payable in the preceding year
11 (as determined by the department of local government
12 finance); multiplied by
13 (B) twelve (12); and
14 (2) is adjacent to one (1) or more townships other than the
15 township described in subdivision (1).

ES 365—LS 7186/DI 129



1 SECTION 2. IC 36-1-1.5-9, AS AMENDED BY P.L.129-2019,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 9. The following apply if at least two-thirds
 4 (2/3) of the voters voting in a special election under this chapter vote
 5 "yes" on the public question under this chapter:

6 (1) The legislative body of the eligible municipality may, within
 7 ~~one (1) year~~ **two (2) years** after the special election, submit a
 8 petition to one (1) or more adjacent townships requesting an
 9 adjacent township to accept the transfer of the territory of the
 10 eligible municipality that is within the transferor township.

11 (2) The legislative body of an adjacent township that receives a
 12 petition under subdivision (1) may adopt a resolution accepting
 13 the transfer of the territory of the eligible municipality that is
 14 within the transferor township and specifying the date on which
 15 the transfer is effective, **if the legislative body of the adjacent**
 16 **township adopts a resolution accepting the transfer of the**
 17 **territory of the eligible municipality before the later of:**

18 (A) **December 31 of the calendar year in which the petition**
 19 **under subdivision (1) is received; or**

20 (B) **the ninetieth day following the date on which the**
 21 **petition under subdivision (1) is received.**

22 However, the legislative body of the adjacent township may adopt
 23 a resolution accepting the transfer of the territory of the eligible
 24 municipality only within the two (2) year period following the
 25 date on which the legislative body receives the petition:

26 (3) If the legislative body of the eligible municipality submits a
 27 ~~petition one (1) or more petitions~~ to one (1) or more adjacent
 28 townships under subdivision (1) within ~~one (1) year~~ **two (2) years**
 29 after the special election, but a resolution accepting the transfer
 30 of the territory of the eligible municipality within the transferor
 31 township is not adopted by the legislative body of an adjacent
 32 township ~~within the two (2) year period following the date on~~
 33 ~~which the last legislative body of a township receives such a~~
 34 ~~petition:~~

35 (A) the territory of the eligible municipality may not be
 36 transferred under this chapter; and

37 (B) a subsequent special election under this chapter may not
 38 be held in the eligible municipality:

39 **before July 1, 2020, the territory of the eligible municipality**
 40 **is automatically transferred to and becomes part of the**
 41 **adjacent township with the greatest assessed value. A transfer**
 42 **under this subdivision is effective January 1, 2022, and the**



1 **assessed value of property located in the territory of the**
2 **eligible municipality that is located in the transferor township**
3 **shall be used in preparing the 2022 budget of the receiving**
4 **township.**

5 (4) If the legislative body of the eligible municipality does not
6 submit a petition to one (1) or more adjacent townships under
7 subdivision (1) within ~~one (1) year~~ **two (2) years** after the special
8 election:

9 (A) the territory of the eligible municipality may not be
10 transferred under this chapter; and

11 (B) a subsequent special election under this chapter may not
12 be held in the eligible municipality.

13 **(5) If the transferor township issues or otherwise incurs**
14 **indebtedness after June 30, 2020, the transferring township**
15 **excluding the eligible municipality is obligated to repay the**
16 **indebtedness and the eligible municipality is not obligated to**
17 **repay the indebtedness.**

18 SECTION 3. IC 36-1-1.5-15 IS ADDED TO THE INDIANA CODE
19 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: **Sec. 15. This chapter expires January 1, 2024.**
21 SECTION 4. **An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 365, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 36-1-1.5-2, AS AMENDED BY P.L.249-2015, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible municipality" means a municipality that:

(1) includes any territory located in a township for which the township assistance property tax rate for property taxes first due and payable in 2015 or in any year thereafter **before 2024** is more than:

(A) the statewide average township assistance property tax rate for property taxes first due and payable in the preceding year (as determined by the department of local government finance); multiplied by

(B) twelve (12); and

(2) is adjacent to one (1) or more townships other than the township described in subdivision (1).

SECTION 2. IC 36-1-1.5-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. For purposes of this chapter, a township is adjacent to an eligible municipality if the township is contiguous to or adjoins the corporate boundaries of the eligible municipality."**

Page 2, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 4. IC 36-1-1.5-15 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. This chapter expires January 1, 2024."**

Page 7, between lines 4 and 5, begin a new paragraph and insert:

"Sec. 13. This chapter expires January 1, 2024."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Tax and Fiscal Policy.

(Reference is to SB 365 as introduced.)

ES 365—LS 7186/DI 129



BUCK, Chairperson

Committee Vote: Yeas 8, Nays 1.

 COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 365, 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 365 as printed January 24, 2020.)

HOLDMAN, Chairperson

Committee Vote: Yeas 7, Nays 3

 COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 365, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 7, strike "in 2015 or".

Page 1, line 7, strike "thereafter" and insert "**after 2014 and**".

Page 1, after line 15, begin a new paragraph and insert:

"SECTION 2. IC 36-1-1.5-9, AS AMENDED BY P.L.129-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The following apply if at least two-thirds (2/3) of the voters voting in a special election under this chapter vote "yes" on the public question under this chapter:

(1) The legislative body of the eligible municipality may, within **one (1) year two (2) years** after the special election, submit a petition to one (1) or more adjacent townships requesting an adjacent township to accept the transfer of the territory of the eligible municipality that is within the transferor township.

(2) The legislative body of an adjacent township that receives a petition under subdivision (1) may adopt a resolution accepting the transfer of the territory of the eligible municipality that is within the transferor township and specifying the date on which



the transfer is effective, **if the legislative body of the adjacent township adopts a resolution accepting the transfer of the territory of the eligible municipality before the later of:**

- (A) December 31 of the calendar year in which the petition under subdivision (1) is received; or**
- (B) the ninetieth day following the date on which the petition under subdivision (1) is received.**

However, the legislative body of the adjacent township may adopt a resolution accepting the transfer of the territory of the eligible municipality only within the two (2) year period following the date on which the legislative body receives the petition:

(3) If the legislative body of the eligible municipality submits a **petition one (1) or more petitions** to one (1) or more adjacent townships under subdivision (1) within ~~one (1) year~~ **two (2) years** after the special election, but a resolution accepting the transfer of the territory of the eligible municipality within the transferor township is not adopted by the legislative body of an adjacent township ~~within the two (2) year period following the date on which the last legislative body of a township receives such a petition:~~

- ~~(A) the territory of the eligible municipality may not be transferred under this chapter; and~~
- ~~(B) a subsequent special election under this chapter may not be held in the eligible municipality.~~

before July 1, 2020, the territory of the eligible municipality is automatically transferred to and becomes part of the adjacent township with the greatest assessed value. A transfer under this subdivision is effective January 1, 2022, and the assessed value of property located in the territory of the eligible municipality that is located in the transferor township shall be used in preparing the 2022 budget of the receiving township.

(4) If the legislative body of the eligible municipality does not submit a petition to one (1) or more adjacent townships under subdivision (1) within ~~one (1) year~~ **two (2) years** after the special election:

- ~~(A) the territory of the eligible municipality may not be transferred under this chapter; and~~
- ~~(B) a subsequent special election under this chapter may not be held in the eligible municipality.~~

(5) If the transferor township issues or otherwise incurs indebtedness after June 30, 2020, the transferring township



excluding the eligible municipality is obligated to repay the indebtedness and the eligible municipality is not obligated to repay the indebtedness."

Delete page 2.

Page 3, delete lines 1 through 10.

Page 3, delete lines 14 through 42.

Delete pages 4 through 6.

Page 7, delete lines 1 through 39.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 365 as printed January 29, 2020.)

BROWN T

Committee Vote: yeas 14, nays 7.

