

SENATE BILL No. 436

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-4-1.

Synopsis: Conversion to Class 3 city status. Provides that if the population of a second class city is reported by two consecutive federal decennial censuses (census) as having a population of less than 31,500, the city becomes a third class city on January 1: (1) of the calendar year following the next municipal election held after the most recent census; or (2) of the calendar year following the second municipal election held after the most recent census, if the effective date of the most recent census and the municipal election are in the same calendar year. Provides that if a city's population is less than 31,500 in the 2010 and 2020 censuses, the city becomes a third class city on January 1, 2027. Provides that the population of the second class city is calculated by subtracting the portion of the population of the city consisting of prison inmates from the population of the city reported by the federal decennial census.

Effective: July 1, 2025.

Bohacek

January 13, 2025, read first time and referred to Committee on Local Government.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 436

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 36-4-1-1, AS AMENDED BY P.L.56-2022,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 1. (a) Municipalities are classified according to
4 their status and population as follows:
- | 5 STATUS AND POPULATION | 6 CLASS |
|---|------------------------------|
| 7 Cities of 600,000 or more | 8 First class cities |
| 9 Cities of 34,000 to 599,999 | 10 Second class cities |
| 11 Cities of less than 34,000 | 12 Third class cities |
| 13 Other municipalities of any 14 population | 15 Towns |
- 16 (b) Except as provided in subsection (c), **and section 1.2 of this**
17 **chapter**, a city that attains a population of thirty-four thousand
(34,000) remains a second class city even though its population
decreases to less than thirty-four thousand (34,000) **at as reported by**
the ~~next~~ **most recent** federal decennial census.
- (c) The legislative body of a city to which subsection (b) applies
may, by ordinance, adopt third class city status.



SECTION 2. IC 36-4-1-1.2 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2025]: (a) For purposes of this section, "population" means:

- (1) the population of a city as reported by the federal decennial census; minus
- (2) the portion of the city's population under subdivision (1):
 - (A) on the effective date of the federal decennial census under IC 1-1-3.5-3(f); and
 - (B) that consists of prison inmates.

(b) Except as provided in subsections (c) and (d), if a second class city's population on the effective date of the two (2) most recent federal decennial censuses is not more than thirty-one thousand five hundred (31,500), the city becomes a third class city on January 1 of the calendar year that follows the next municipal election held after the effective date of the most recent decennial census, at which time the number of members of the legislative body required by the laws applicable to the city's new third class city status shall be elected. Until the date the city becomes a third class city:

- (1) the powers, duties, functions, and office of an elected official of the city remain unchanged; and
- (2) the city shall be governed by the laws applicable to second class city status.

(c) This subsection applies if the effective date of the most recent federal decennial census is in the same calendar year as a municipal election. A city becomes a third class city on January 1 of the calendar year that follows the second municipal election held after the effective date of the most recent federal decennial census, at which time the number of members of the legislative body required by the laws applicable to the city's new third class status shall be elected. Until the date the city becomes a third class city:

- (1) the powers, duties, functions, and office of an elected official of the city remain unchanged; and
- (2) the city shall be governed by the laws applicable to second class city status.

(d) If a second class city's population on the effective dates of the 2010 federal decennial census and 2020 federal decennial census is not more than thirty-one thousand five hundred (31,500), the city becomes a third class city on January 1, 2027. At the municipal election conducted in 2026, the number of members of the legislative body required by the laws applicable to the city's new third class city status shall be elected. Until January 1, 2027:



1 (1) the powers, duties, functions, and office of an elected
2 official of the city remain unchanged; and

3 (2) the city shall be governed by the laws applicable to second
4 class city status.

5 SECTION 3. IC 36-4-1-8 IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2025]: Sec. 8. (a) **This section does not apply**
7 **to a city under section 1.2 of this chapter.** Whenever the
8 classification of a city under section 1 of this chapter changes due to a
9 change in the city's population, the city shall be governed by the laws
10 applicable to its new class, except as provided by subsection (b).

11 (b) The membership of a city legislative body remains unchanged
12 until the expiration of the terms of its members, despite a change in the
13 classification of the city for any reason. At the municipal election
14 preceding the expiration of those terms, the number of members of the
15 legislative body required by the laws applicable to its new class shall
16 be elected. The powers, duties, functions, and office of an elected
17 official of a city shall remain unchanged until the expiration of the term
18 of the elected official, despite a change in city classification for any
19 reason.

