



Reprinted
March 1, 2006

ENGROSSED HOUSE BILL No. 1362

DIGEST OF HB 1362 (Updated February 28, 2006 5:42 pm - DI 73)

Citations Affected: IC 36-1; IC 36-1.5.

Synopsis: Establishes a uniform procedure for the reorganization of political subdivisions in a county. Provides that "political subdivision" does not include a local hospital authority or corporation. Provides that the reorganization process may be initiated by the legislative bodies of the reorganizing political subdivisions or by a petition signed by 5% of the voters in the reorganizing political subdivisions. Requires the reorganizing political subdivisions to appoint individuals to a reorganization committee to develop a plan for reorganization. Provides that political subdivisions and reorganization committees acting under the reorganization statute are subject to the open door law
(Continued next page)

Effective: Upon passage.

Buck, Bosma

(SENATE SPONSORS — DELPH, RIEGSECKER)

January 12, 2006, read first time and referred to Committee on Government and Regulatory Reform.

January 19, 2006, amended, reported — Do Pass.

January 23, 2006, read second time, amended, ordered engrossed.

January 24, 2006, engrossed.

January 26, 2006, read third time, passed. Yeas 73, nays 23.

SENATE ACTION

February 7, 2006, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

February 23, 2006, amended, reported favorably — Do Pass.

February 28, 2006, read second time, amended, ordered engrossed.

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EH 1362—LS 7130/DI 73+



and the public records law. Specifies the elements that must be included in the plan. Provides that the proposed reorganization shall be submitted to the voters for approval if the plan is approved by the legislative bodies of the political subdivisions or, in some circumstances, if at least 10% of the registered voters in a political subdivision submit a petition approving the plan of reorganization and requesting the public question to be held. Provides that a reorganization may occur only if the voters of the reorganizing political subdivisions approve the reorganization in the public question. Provides that in the case of a proposed reorganization that involves a county having a population of more than 170,000 (other than Marion County) and one or more municipalities: (1) the vote on the public question in the entire county, the municipality, and those parts of the county excluding the reorganizing municipality shall be tabulated; and (2) the reorganization is approved if a majority of the voters of the entire county voting on the public question approve the reorganization and less than 65% of the voters in the municipality and 65% of the voters in those parts of the county excluding the reorganizing municipality disapprove the reorganization. Requires the department of local government finance to adjust the maximum property tax levies, maximum property tax rates, and budgets of political subdivisions that reorganize. Provides that: (1) indebtedness that was incurred by a political subdivision before the reorganization may not be imposed on taxpayers that were not responsible for payment of the indebtedness before the reorganization and must be paid by the taxpayers that were responsible for payment of the indebtedness before the reorganization; and (2) pension obligations existing as of the effective date of the reorganization may not be imposed on taxpayers that were not responsible for payment of the pension obligations before the reorganization. Provides that when the reorganization is effective, all the participating political subdivisions except the remaining reorganized political subdivision cease to exist. Makes related changes. Establishes a procedure for political subdivisions to enter into cooperative agreements and provide for the transfer of functions of an employee or department of the political subdivision (including an elected office) to another employee or department of any political subdivision that has entered into the cooperative agreement. Provides that the cooperative agreements must be initiated and approved in the same manner that is set forth in the bill for the reorganization of political subdivisions.

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March 1, 2006

Second Regular Session 114th General Assembly (2006)

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 2005 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1362

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 36-1-2-4 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE UPON PASSAGE]: Sec. 4. "Clerk" means:
3 (1) clerk of the circuit court, for a county;
4 (2) county auditor, for a board of county commissioners or county
5 council;
6 (3) clerk of the city-county council, for a consolidated city;
7 (4) city clerk, for a second class city;
8 (5) clerk-treasurer, for a third class city; ~~or~~
9 (6) clerk-treasurer, for a town; **or**
10 (7) **chief executive officer of a political subdivision not**
11 **described in subdivisions (1) through (6).**
12 SECTION 2. IC 36-1-2-6 IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: Sec. 6. "Fiscal body" means:
14 (1) county council, for a county not having a consolidated city;
15 (2) city-county council, for a consolidated city or county having
16 a consolidated city;
17 (3) common council, for a city other than a consolidated city;

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- 1 (4) town council, for a town;
- 2 (5) township board, for a township; or
- 3 (6) governing body or budget approval body, for any other
- 4 political subdivision **that has a governing body or budget**
- 5 **approval body; or**
- 6 (7) **chief executive officer of any other political subdivision**
- 7 **that does not have a governing body or budget approval body.**

8 SECTION 3. IC 36-1-2-9 IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]; Sec. 9. "Legislative body" means:

- 10 (1) board of county commissioners, for a county not subject to
- 11 IC 36-2-3.5 or IC 36-3-1;
- 12 (2) county council, for a county subject to IC 36-2-3.5;
- 13 (3) city-county council, for a consolidated city or county having
- 14 a consolidated city;
- 15 (4) common council, for a city other than a consolidated city;
- 16 (5) town council, for a town; or
- 17 (6) township board, for a township;
- 18 (7) **the governing body of any other political subdivision that**
- 19 **has a governing body; or**
- 20 (8) **chief executive officer of any other political subdivision**
- 21 **that does not have a governing body.**

22 SECTION 4. IC 36-1.5 IS ADDED TO THE INDIANA CODE AS
 23 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
 24 PASSAGE]:

25 **ARTICLE 1.5. GOVERNMENT MODERNIZATION**

26 **Chapter 1. General Provisions**

27 **Sec. 1. The purpose of this article is to do the following:**

- 28 (1) **Grant broad powers to enable political subdivisions to**
- 29 **operate more efficiently by eliminating restrictions under**
- 30 **existing law that:**
 - 31 (A) **impede the economy of operation of;**
 - 32 (B) **interfere with the ease of administration of;**
 - 33 (C) **inhibit cooperation among; and**
 - 34 (D) **thwart better government by;**
- 35 **political subdivisions.**
- 36 (2) **Encourage efficiency by and cooperation among political**
- 37 **subdivisions to:**
 - 38 (A) **reduce reliance on property taxes; and**
 - 39 (B) **enhance the ability of political subdivisions to provide**
 - 40 **critical and necessary services.**
- 41 (3) **Strengthen the financial condition of state government.**

42 **Sec. 2. This article contains full and complete authority for the**

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following:

- (1) Reorganization of political subdivisions.
- (2) Exercise of governmental functions under a cooperative agreement under this article.
- (3) Transfer of responsibilities between offices and officers under this article.

Sec. 3. Except as provided in this article, no law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a political subdivision or any officer, department, agency, or instrumentality of the state or a political subdivision is required for political subdivisions to:

- (1) reorganize;
- (2) exercise governmental functions under a cooperative agreement; or
- (3) transfer responsibilities between offices and officers;

under this article.

Sec. 4. A political subdivision may exercise the powers granted under this article without complying with the provisions of any other law, statute, or rule.

Sec. 5. This article shall be liberally construed to effect the purposes of this article.

Sec. 6. Except as otherwise specifically provided by law, to the extent the provisions of this article are inconsistent with the provisions of any other general, special, or local law, the provisions of this article are controlling, and compliance with this article shall be treated as compliance with the conflicting law.

Sec. 7. This article does not prohibit the:

- (1) reorganization of one (1) or more political subdivisions;
- (2) exercise of governmental functions under a cooperative agreement; or
- (3) transfer of responsibilities between offices and officers;

under another law that is not included in this article.

Sec. 8. More than one (1) resolution permitted under this article may be consolidated into a combined resolution.

Sec. 9. Political subdivisions and reorganization committees acting under this article are subject to IC 5-14-1.5 (open door law) and IC 5-14-3 (public records law).

Chapter 2. Definitions

Sec. 1. Except as provided in section 4 of this chapter, the definitions in IC 3-5-2 and IC 36-1-2 apply throughout this article.

Sec. 2. The definitions in this chapter apply throughout this article.

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1 **Sec. 3. "Plan of reorganization"** refers to a plan of
2 reorganization approved by the legislative body of each
3 reorganizing political subdivision under this article.

4 **Sec. 4. "Political subdivision"** has the meaning set forth in
5 IC 36-1-2, except that the term does not include a local hospital
6 authority or corporation.

7 **Sec. 5. "Reorganization"** means a change in the structure or
8 administration of a political subdivision described in IC 36-1.5-4-3
9 and IC 36-1.5-4-4.

10 **Sec. 6. "Reorganization committee"** refers to a committee
11 established under this article to assist reorganizing political
12 subdivisions with developing a plan of reorganization.

13 **Sec. 7. "Reorganized political subdivision"** means the political
14 subdivision that is the successor to the reorganizing political
15 subdivisions participating in a reorganization.

16 **Sec. 8. "Reorganizing political subdivision"** refers to a political
17 subdivision in which:

- 18 (1) a resolution has been adopted under IC 36-1.5-4-10; or
- 19 (2) a petition has been filed under IC 36-1.5-4-11.

20 **Chapter 3. Adjustment of Maximum Permissible Levies, Tax**
21 **Rates, and Budgets**

22 **Sec. 1.** A certified copy of an ordinance or a resolution,
23 including any incorporated agreement, that is adopted under this
24 article must be submitted to the department of local government
25 finance.

26 **Sec. 2.** The department of local government finance may take an
27 action under this chapter in the manner prescribed by the
28 department of local government finance in its rules adopted under
29 IC 4-22-2.

30 **Sec. 3.** A political subdivision may petition for judicial review of
31 a final determination of the department of local government
32 finance under this chapter. The petition must be filed in the tax
33 court not more than forty-five (45) days after the department of
34 local government finance enters its order under this chapter.

35 **Sec. 4.** Subject to this chapter, the department of local
36 government finance shall adjust the maximum permissible
37 property tax levies, maximum permissible property tax rates, and
38 budgets of political subdivisions that enter into a reorganization
39 under this article as the department of local government finance
40 determines necessary to do the following:

- 41 (1) Eliminate double taxation by different political
42 subdivisions for services or goods provided under this article.

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1 (2) Eliminate any excess by which the amount of property
2 taxes imposed by a political subdivision exceeds the amount
3 necessary to pay for services or goods provided under this
4 article.

5 (3) Restore taxing powers of a political subdivision after the
6 termination of a reorganization under this article that are
7 necessary to fund governmental services to the individuals
8 and entities served by the political subdivision.

9 (4) Restore taxing powers of a political subdivision after the
10 withdrawal of a party from a reorganization under this article
11 that are necessary to fund governmental services to the
12 individuals and entities served by the political subdivision.

13 **Sec. 5.** The department shall establish a formula for adjusting
14 maximum permissible property tax levies, maximum permissible
15 property tax rates, and budgets under this chapter that permits a
16 political subdivision (or a successor political subdivision) that
17 realizes a:

- 18 (1) savings to its taxpayers; or
- 19 (2) reduction in the reasonably foreseeable expenses that
20 would otherwise be incurred by its taxpayers;

21 through a reorganization under this article to continue to levy part
22 of the realized savings or reduction. The adjustment under this
23 section may not exceed fifty percent (50%) of the savings or
24 reduction realized in the first full year of operation after the
25 reorganization is implemented, as determined by the department
26 of local government finance.

27 **Chapter 4. Reorganization by Referendum**

28 **Sec. 1. (a)** Any of the following may reorganize under this
29 chapter:

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

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

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

41 (4) Two (2) or more school corporations. A school corporation
42 reorganizing under this subdivision must be adjacent to at

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least one (1) other school corporation participating in the reorganization.

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

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

(7) A township and a municipality that is located in any part of the same township.

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

(9) A municipality and a county having a population of not more than one hundred seventy thousand (170,000) in which a majority of the population of the municipality resides.

(10) A municipality and a county:
(A) that has a population of more than one hundred seventy thousand (170,000);
(B) that does not contain a consolidated city; and
(C) in which a majority of the population of the municipality resides.

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

(12) A municipal corporation, other than a unit or a school corporation, and a county or municipality in which a majority of the population of the municipal corporation resides.

(b) If a political subdivision reorganizes under this article with one (1) or more other political subdivisions:

(1) any political subdivisions that did not participate in the public question on the reorganization are not reorganized under this article;

(2) the reorganization affects only those political subdivisions in which the reorganization is approved as specified in this article; and

(3) the reorganization does not affect the rights, powers, and duties of any political subdivisions in the county in which the reorganization is not approved as specified in this article.

Sec. 2. For purposes of this chapter, two (2) political subdivisions may not be treated as adjacent if the political

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1 subdivisions are connected by a strip of land that is less than one
2 hundred fifty (150) feet wide.

3 Sec. 3. Political subdivisions described in section 1 of this
4 chapter may participate under this chapter in any of the following
5 types of reorganization:

6 (1) Consolidation of the participating political subdivisions
7 into a single new political subdivision.

8 (2) Consolidation of the participating political subdivisions
9 into one (1) of the participating political subdivisions.

10 Sec. 4. As part of a reorganization in a finally approved plan of
11 reorganization, one (1) or more of the reorganizing political
12 subdivisions or the reorganized political subdivision may do the
13 following:

14 (1) Adjust any of its boundaries.

15 (2) Establish a joint service area with another political
16 subdivision.

17 (3) Transfer the functions of an office to another office.

18 (4) Provide for a legislative body, an executive, or a fiscal
19 body of the reorganized political subdivision to exercise the
20 powers of a legislative body, an executive, or a fiscal body of
21 a reorganizing political subdivision.

22 (5) Change the name of the political subdivision or select a
23 new name.

24 Sec. 5. (a) Except as provided in subsection (b), a reorganization
25 approved under this chapter takes effect when all of the following
26 have occurred:

27 (1) The later of:

28 (A) the date that a copy of a joint certification from the
29 county election board in each county in which reorganizing
30 political subdivisions are located that indicates that:

31 (i) the reorganization has been approved by the voters of
32 each reorganizing political subdivision; or

33 (ii) in the case of a reorganization described in section
34 1(a)(10) of this chapter, the reorganization has been
35 approved as set forth in section 32(b) of this chapter;

36 is recorded as required by section 31 of this chapter; or
37 (B) the date specified in the finally adopted plan of
38 reorganization.

39 (2) The appointed or elected officers of the reorganized
40 political subdivision are elected (as prescribed by section 36
41 of this chapter) or appointed and qualified, if:

42 (A) the reorganized political subdivision is a new political

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- 1 subdivision and reorganizing political subdivisions are not
- 2 being consolidated into one (1) of the reorganizing political
- 3 subdivisions;
- 4 **(B) the reorganized political subdivision will have different**
- 5 **boundaries than any of the reorganizing political**
- 6 **subdivisions;**
- 7 **(C) the reorganized political subdivision will have different**
- 8 **appointment or election districts than any of the**
- 9 **reorganizing political subdivisions; or**
- 10 **(D) the finally adopted plan of reorganization requires new**
- 11 **appointed or elected officers before the reorganization**
- 12 **becomes effective.**

13 **(b) A reorganization approved under this chapter may not take**
 14 **effect during the year preceding a year in which a federal decennial**
 15 **census is conducted. A consolidation that would otherwise take**
 16 **effect during the year preceding a year in which a federal decennial**
 17 **census is conducted takes effect January 2 of the year in which a**
 18 **federal decennial census is conducted.**

19 **Sec. 6. When a reorganization under this chapter is effective:**

- 20 **(1) all of the participating political subdivisions, except the**
- 21 **reorganized political subdivision, cease to exist;**
- 22 **(2) unless the plan of reorganization provides for the**
- 23 **continuation of the term of office, the term of each of the**
- 24 **elected offices of each of the reorganizing political**
- 25 **subdivisions is terminated;**
- 26 **(3) if the plan of reorganization transfers the responsibilities**
- 27 **of any office to another office, the office from which the**
- 28 **responsibilities were transferred is abolished;**
- 29 **(4) the executives, legislative bodies, and fiscal bodies of the**
- 30 **reorganizing political subdivisions (other than any**
- 31 **reorganizing political subdivision that is treated under the**
- 32 **plan of reorganization as the successor reorganized political**
- 33 **subdivision) are abolished and the responsibilities of the**
- 34 **executives, legislative bodies, and fiscal bodies are transferred**
- 35 **to the executive, legislative body, and fiscal body of the**
- 36 **reorganized political subdivision; and**
- 37 **(5) the property and liabilities of the reorganizing political**
- 38 **subdivisions become the property and liabilities of the**
- 39 **reorganized political subdivision, subject to section 40 of this**
- 40 **chapter.**

41 **Sec. 7. In the year before the year in which the participating**
 42 **political subdivisions are reorganized under this chapter:**

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1 (1) the fiscal bodies of the reorganizing political subdivisions
2 shall, in the manner provided by IC 6-1.1-17, adopt tax levies,
3 tax rates, and a budget for the reorganized political
4 subdivision either through the adoption of substantially
5 identical resolutions adopted by each of the fiscal bodies or, if
6 authorized in the plan of reorganization, through a joint
7 board established under an agreement of the fiscal bodies on
8 which the members of each of the fiscal bodies are
9 represented; and

10 (2) if the reorganized political subdivision will have elected
11 offices and different election districts than any of the
12 reorganizing political subdivisions, the legislative bodies of the
13 reorganizing political subdivisions shall establish the election
14 districts either through the adoption of substantially identical
15 resolutions adopted by each of the legislative bodies or, if
16 authorized in the plan of reorganization, through a joint
17 board established under an agreement of the legislative bodies
18 on which the members of each of the legislative bodies are
19 represented.

20 Sec. 8. The department of local government finance may
21 prescribe forms for petitions, resolutions, certifications, and other
22 writings required under this chapter. A petition, resolution,
23 certification, or other writing related to a reorganization must be
24 substantially in the form prescribed by the department of local
25 government finance.

26 Sec. 9. A reorganization may be initiated by:
27 (1) adopting a resolution under section 10 of this chapter; or
28 (2) filing a petition under section 11 of this chapter.

29 Sec. 10. (a) The legislative body of a political subdivision may
30 initiate a proposed reorganization under this chapter by adopting
31 a resolution that:

- 32 (1) proposes a reorganization; and
33 (2) names the political subdivisions that would be reorganized
34 in the proposed reorganization.

35 (b) The clerk of the political subdivision adopting the resolution
36 shall certify the resolution to the clerk of each political subdivision
37 named in the resolution.

38 Sec. 11. (a) The voters of a political subdivision may initiate a
39 proposed reorganization by filing a written petition, substantially
40 in the form prescribed by the department, with the clerk of the
41 political subdivisions that:

- 42 (1) proposes a reorganization; and

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1 (2) names the political subdivisions that would be reorganized
2 in the proposed reorganization.

3 (b) If the written petition is signed by at least five percent (5%)
4 of the voters of the political subdivision, as determined by the vote
5 cast in the political subdivision for secretary of state at the most
6 recent general election, the clerk of the political subdivision shall
7 certify the petition to the legislative body of the political
8 subdivision.

9 Sec. 12. (a) If a petition is certified to the legislative body of a
10 political subdivision under section 11 of this chapter, the legislative
11 body shall conduct a public hearing on the proposed
12 reorganization not sooner than five (5) days after publishing a
13 notice of the public hearing under IC 5-3-1. Not more than thirty
14 (30) days after the conclusion of the public hearing the legislative
15 body shall adopt a resolution, substantially in the form prescribed
16 by the department of local government finance, to do any of the
17 following:

18 (1) Adopt a resolution declining to participate in the proposed
19 reorganization.

20 (2) Propose a reorganization with the political subdivisions
21 named in the petition.

22 (3) Propose a reorganization with political subdivisions that
23 differ in part or in whole from the political subdivisions
24 named in the petition.

25 (b) The clerk of the political subdivision adopting a resolution
26 proposing a reorganization under this section shall certify the
27 resolution to the clerk of each political subdivision named in the
28 resolution.

29 Sec. 13. (a) The legislative body of a political subdivision that
30 receives a certified resolution under section 10 or 12 of this chapter
31 may do any of the following:

32 (1) Adopt a resolution declining to participate in a proposed
33 reorganization

34 (2) Adopt a substantially identical resolution proposing to
35 participate in a proposed reorganization with the political
36 subdivisions named in a resolution certified to the political
37 subdivision.

38 (3) Adopt a resolution proposing to participate in a proposed
39 reorganization with political subdivisions that differ in part
40 or in whole from the political subdivisions named in a
41 resolution certified to the political subdivision.

42 (b) The clerk of the political subdivision adopting a resolution

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1 proposing a reorganization under this section shall certify the
2 resolution to the clerk of each political subdivision named in the
3 resolution.

4 Sec. 14. The legislative body of a political subdivision may revise
5 a resolution certified under section 10, 12, or 13 of this chapter by
6 adding or deleting proposed parties to the reorganization until all
7 of the political subdivisions named in the resolution have adopted
8 substantially identical reorganization resolutions.

9 Sec. 15. Not later than thirty (30) days after the clerk of the last
10 political subdivision to adopt a reorganization resolution under this
11 chapter has certified the resolution to all of the political
12 subdivisions named in the resolution, the reorganizing political
13 subdivisions shall appoint the number of individuals specified in
14 section 16 of this chapter to serve on a reorganization committee
15 to develop a plan of reorganization for the reorganizing political
16 subdivisions.

17 Sec. 16. (a) Members shall be appointed to a reorganization
18 committee as follows:

19 (1) In accordance with an agreement adopted by the
20 reorganizing political subdivisions. An agreement under this
21 subdivision must provide that not more than a simple
22 majority of the members appointed by each political
23 subdivision may be members of the same political party.

24 (2) If an agreement does not provide for the membership of a
25 reorganization committee under this chapter, three (3)
26 members shall be appointed by the executive of each political
27 subdivision participating in the reorganization. Not more than
28 two (2) of the members appointed by an executive of a
29 political subdivision may be members of the same political
30 party.

31 (b) The members of a reorganization committee serve at the
32 pleasure of the appointing authority. The reorganization
33 committee shall select a chairperson and any other officers that the
34 reorganization committee determines necessary from the members
35 of the reorganization committee.

36 (c) The members of a reorganization committee serve without
37 compensation. The members, however, are entitled to
38 reimbursement from the reorganizing political subdivisions for the
39 necessary expenses incurred in the performance of their duties.

40 (d) The reorganizing political subdivisions shall provide
41 necessary office space, supplies, and staff to the reorganization
42 committee. The reorganizing political subdivisions may employ

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1 attorneys, accountants, consultants, and other professionals for the
2 reorganization committee.

3 (e) Except as otherwise provided in an agreement adopted by
4 the reorganizing political subdivisions, claims for expenditures for
5 the reorganization committee shall be made to the fiscal officer for
6 the reorganizing political subdivision with the largest population.
7 The fiscal officer shall pay the necessary expenditures and obtain
8 reimbursement from the reorganizing political subdivisions:

- 9 (1) in accordance with an agreement adopted by the
10 reorganizing political subdivisions; or
- 11 (2) in the absence of an agreement, in proportion to the
12 population of each reorganizing political subdivision.

13 **Sec. 17. A reorganization committee may do the following:**

- 14 (1) Adopt procedures governing the internal management of
15 the reorganization committee.
- 16 (2) Conduct public hearings on the plan of reorganization as
17 the reorganization committee determines necessary or
18 appropriate.
- 19 (3) Review the books and records of any reorganizing political
20 subdivision.
- 21 (4) Administer oaths.
- 22 (5) Issue and enforce subpoenas and discovery orders under
23 IC 4-21.5.

24 **Sec. 18. (a) A reorganization committee shall prepare a**
25 **comprehensive plan of reorganization for the reorganizing political**
26 **subdivisions. The plan of reorganization governs the actions,**
27 **duties, and powers of the reorganized political subdivision that are**
28 **not specified by law.**

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

- 31 (1) The name and a description of the reorganized political
32 subdivision that will succeed the reorganizing political
33 subdivisions.
- 34 (2) A description of the boundaries of the reorganized political
35 subdivision.
- 36 (3) A description of the taxing areas in which taxes to retire
37 obligations of the reorganizing political subdivisions will be
38 raised.
- 39 (4) A description of the membership of the legislative body,
40 fiscal body, and executive of the reorganized political
41 subdivision, a description of the election districts or
42 appointment districts from which officers will be elected or

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appointed, and the manner in which the membership of each elected or appointed office will be elected or appointed.

(5) A description of the services to be offered by the reorganized political subdivision and the service areas in which the services will be offered.

(6) The disposition of the personnel, the agreements, the assets, and, subject to section 40 of this chapter, the liabilities of the reorganizing political subdivisions, including the terms and conditions upon which the transfer of property and personnel will be achieved.

(7) Any other matter that the:

(A) reorganization committee determines to be necessary or appropriate; or

(B) legislative bodies of the reorganizing political subdivisions require the reorganization committee; to include in the plan of reorganization.

(c) Upon completion of the plan of reorganization, the reorganization committee shall present the plan of reorganization to the legislative body of each of the reorganizing political subdivisions for adoption. The initial plan of reorganization must be submitted to the legislative body of each of the reorganizing political subdivisions not later than one (1) year after the clerk of the last political subdivision to adopt a reorganization resolution under this chapter has certified the resolution to all of the political subdivisions named in the resolution.

Sec. 19. The legislative body of each of the reorganizing political subdivisions shall provide for the following:

(1) Consideration of a plan of reorganization presented by a reorganization committee in the form of a resolution incorporating the plan of reorganization in full or by reference.

(2) Reading of the resolution incorporating the plan of reorganization in at least two (2) separate meetings of the legislative body of the political subdivision.

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

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

(B) before the legislative body takes final action on the resolution to adopt the plan of reorganization.

Sec. 20. At a public hearing on a plan of reorganization conducted under section 19 of this chapter, or in a public meeting held not more than thirty (30) days after the public hearing

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1 concludes, a legislative body of a reorganizing political subdivision
2 shall do one (1) of the following:

- 3 (1) Adopt the plan of reorganization as presented to the
- 4 legislative body.
- 5 (2) Adopt the plan of reorganization with modifications.
- 6 (3) Reject the plan of reorganization and order a
- 7 reorganization committee to submit a new plan of
- 8 reorganization within thirty (30) days after the legislative
- 9 body rejects the plan of reorganization.

10 Sec. 21. Any modifications in a plan of reorganization that are
11 adopted by a legislative body of a reorganizing political subdivision
12 must be adopted by the legislative body of each of the reorganizing
13 political subdivisions before the modifications are effective.

14 Sec. 22. The legislative body of each reorganizing political
15 subdivision shall take any of the actions described in section 20 of
16 this chapter on a revised plan of reorganization submitted by a
17 reorganization committee and each resolution modifying a plan of
18 reorganization or revised plan of reorganization in the same
19 manner as the legislative body may take action on the initially
20 submitted plan of reorganization.

21 Sec. 23. The legislative body of a reorganizing political
22 subdivision shall certify the legislative body's final action on a plan
23 of reorganization or revised plan of reorganization, as modified by
24 the legislative body, in the manner prescribed by the department
25 of local government finance, to the following:

- 26 (1) The chair of the reorganization committee.
- 27 (2) The clerk of each reorganizing political subdivision.
- 28 (3) The county fiscal officer of each county in which a
- 29 reorganizing political subdivision is located.
- 30 (4) The county recorder of each county in which a
- 31 reorganizing political subdivision is located.

32 Sec. 23.5. The following apply if the legislative bodies of all
33 political subdivisions that have been presented with a plan of
34 reorganization under section 18(c) of this chapter have not adopted
35 a plan of reorganization, either as presented by the reorganization
36 committee or as modified by all of the political subdivisions, within
37 one (1) year after the plan of reorganization is presented:

- 38 (1) Not later than one (1) month after the end of the one (1)
- 39 year period in which the legislative bodies must adopt a plan
- 40 of reorganization, the reorganization committee shall submit
- 41 a final plan of reorganization to the legislative bodies of the
- 42 political subdivisions.

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(2) Not later than one (1) month after receiving the final plan of reorganization under subdivision (1), each of the legislative bodies must:

- (A) hold a hearing on the final plan of reorganization; and**
- (B) adopt either a resolution approving the final plan of reorganization or a resolution rejecting the final plan of reorganization.**

If a legislative body does not adopt a resolution under this subdivision within the one (1) month period, the failure to adopt a resolution is considered to be an approval of the final plan of reorganization.

(3) If all of the legislative bodies adopt a resolution approving the final plan of reorganization, the legislative bodies shall certify their approval under section 23 of this chapter.

(4) If any of the legislative bodies adopts a resolution rejecting the final plan of reorganization, the registered voters of a political subdivision in which the final plan of reorganization was rejected by a legislative body under subdivision (2) may submit a petition to the clerk of the circuit court approving the final plan of reorganization and requesting that a public question be held on the final plan of reorganization. The petition must be submitted not later than one hundred eighty (180) days after the legislative body voted to reject the final plan of reorganization. If the petition is signed by at least ten percent (10%) of the registered voters of the political subdivision:

- (A) the political subdivision is considered to have approved the holding of the public question on the final plan of reorganization, notwithstanding the vote by the legislative body rejecting the final plan of reorganization; and**
- (B) the clerk of the circuit court shall certify approval of the final plan of the reorganization and the holding of the public question in the manner specified in section 23 of this chapter.**

Sec. 24. The legislative body of the reorganizing political subdivision with the largest population shall provide for a certified copy of the plan of reorganization to be filed with each of the following at the same time certifications are made under section 23 of this chapter:

- (1) The county recorder of each county in which a reorganizing political subdivision is located.**
- (2) The department of local government finance.**

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(3) If any of the reorganizing political subdivisions is a school corporation, the department of education.

(4) If the plan of reorganization changes any election district or abolishes an elected office, the clerk of the circuit court in each county affected by the election district or elected office.

Sec. 25. Each county recorder receiving a certification under section 23 of this chapter, either from the legislative body of a political subdivision or from a clerk of the circuit court after a petition process under section 23.5 of this chapter in a political subdivision, shall record the certification and the plan of reorganization in the records of the county recorder without charge.

Sec. 26. When a county recorder has received certifications under this chapter from all of the reorganizing political subdivisions, either from the legislative body of a political subdivision or from a clerk of the circuit court after a petition process under section 23.5 of this chapter in a political subdivision, the county recorder shall notify the county election board of each county in which a reorganizing political subdivision is located that a public question on a plan of reorganization is eligible to be placed on the ballot for consideration of the voters of each of the reorganizing political subdivisions or (in the case of a reorganization described in section 1(10) of this chapter) for consideration by the voters of the entire county.

Sec. 27. After the county recorder of each county in which a reorganizing political subdivision is located has notified the county election board that a public question on a plan of reorganization is eligible to be placed on the ballot, the county election board shall place the public question on the ballot in accordance with IC 3-10-9 on the first regularly scheduled election that will occur in all of the precincts of the reorganizing political subdivisions at least sixty (60) days after the required notices are received.

Sec. 28. A public question under this chapter shall be placed on the ballot in all of the precincts that are located in the reorganizing political subdivisions in substantially the following form:

"Shall _____ (insert name of political subdivision) and _____ (insert name of political subdivision) reorganize as a single political subdivision?"

Sec. 29. IC 3 applies to the election at which a public question under this chapter is considered.

Sec. 30. (a) Except as provided in subsection (b), at the same time that election results are certified under IC 3, the circuit court

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1 clerk of each of the counties in which a public question under this
2 chapter is on the ballot shall jointly issue, in the form prescribed by
3 the state election board, a certificate declaring whether the public
4 question is approved or rejected by a majority of the voters voting
5 on the public question in each of the reorganizing political
6 subdivisions. In addition to any other requirements in IC 3
7 concerning filing of the certification, the certification shall be sent
8 to each of the following:

- 9 (1) The clerk of each of the reorganizing political subdivisions.
- 10 (2) The county auditor of each county in which a reorganizing
- 11 political subdivision is located.
- 12 (3) The county recorder of each county in which a
- 13 reorganizing political subdivision is located.
- 14 (4) The state board of accounts.
- 15 (5) The department of local government finance.
- 16 (6) The department of state revenue.
- 17 (7) The budget agency.
- 18 (8) If any of the reorganizing political subdivisions is a school
- 19 corporation, the department of education.

20 (b) In the case of a public question on a reorganization
21 described in section 1(a)(10) of this chapter:

- 22 (1) the public question on a plan of reorganization shall be
- 23 placed on the ballot for consideration by the voters of the
- 24 entire county;
- 25 (2) the vote on the public question by the voters of the entire
- 26 county shall be tabulated;
- 27 (3) the vote on the public question by the voters of:
- 28 (A) each reorganizing municipality; and
- 29 (B) the county (excluding the voters of the reorganizing
- 30 municipalities);
- 31 shall be tabulated separately;
- 32 (4) the circuit court clerk shall issue, in a form prescribed by
- 33 the state election board, separate certificates regarding
- 34 whether the public question is approved or rejected by the
- 35 voters of:
- 36 (A) the entire county;
- 37 (B) each reorganizing municipality; and
- 38 (C) the county (excluding the voters of the reorganizing
- 39 municipalities);
- 40 voting on the public question; and
- 41 (5) the reorganization is approved only if all of the following
- 42 occur:

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- (A) A majority of the voters of the entire county voting on the public question vote in favor of the reorganization.
- (B) Less than sixty-five percent (65%) of the voters of each reorganizing municipality vote against the reorganization.
- (C) Less than sixty-five percent (65%) of the voters of the county (excluding the voters of the reorganizing municipalities) vote against the reorganization.

Sec. 31. Each county recorder receiving a certification from a county election board under section 30 of this chapter shall file the certification without charge with the plan of reorganization recorded under section 25 of this chapter.

Sec. 32. (a) This subsection does not apply to a reorganization described in section 1(10) of this chapter. A reorganization as specified in the plan of reorganization is approved if a majority of the voters in each reorganizing political subdivision approve the public question on the reorganization. The vote of voters of a reorganizing political subdivision (for example, a city) who also are voters in a second reorganizing political subdivision (for example, a township) that is geographically larger than the first political subdivision and that includes the territory of the first political subdivision shall be included only in the tally of votes for the first reorganizing political subdivision in which the voters reside.

(b) This subsection applies only to a reorganization described in section 1(a)(10) of this chapter. The reorganization is approved only if:

- (1) a majority of the voters of the entire county approve the public question on the reorganization;
- (2) less than sixty-five percent (65%) of the voters of each reorganizing municipality disapprove the public question on the reorganization; and
- (3) less than sixty-five percent (65%) of the voters of the county (excluding the voters of the reorganizing municipalities) disapprove the public question on the reorganization.

In tabulating the votes under subdivisions (2) and (3), the vote of voters of a reorganizing municipality who also are voters in the county shall be included only in the tally of votes for the municipality in which the voters reside.

Sec. 33. If a reorganization is not approved by the majority of the voters in each reorganizing political subdivision, the reorganization is terminated. A political subdivision in which voters of the political subdivision approved the reorganization may

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1 continue with a reorganization with another political subdivision
2 in which the reorganization was approved only if a new plan of
3 reorganization is approved by the voters of each political
4 subdivision in the manner provided by this chapter. The
5 reorganization committee shall adopt a plan to specify how matters
6 related to the termination of the reorganization shall be handled.

7 Sec. 34. (a) This section applies if:

8 (1) the majority of the voters of each of the reorganizing
9 political subdivisions approve the public question concerning
10 the reorganization; or

11 (2) in the case of a reorganization described in section 1(a)(1)
12 of this chapter, the reorganization is approved as set forth in
13 section 32(b) of this chapter.

14 (b) Except as provided in subsection (c), the political
15 subdivisions are reorganized in the form and under the conditions
16 specified by the legislative bodies of the reorganizing political
17 subdivisions in the plan of reorganization filed with the county
18 recorder under this chapter.

19 Sec. 35. (a) This section applies to an initial election:

20 (1) of the members of a governing body or officers that are
21 elected by the voters for a reorganized political subdivision
22 that:

23 (A) is a town; and

24 (B) has town boundaries that encompass part of another
25 town that was part of the reorganization;

26 (2) that is conducted before the reorganization takes effect;
27 and

28 (3) to which IC 3-10-7-1 applies.

29 (b) The members of each precinct board shall be jointly
30 appointed by the town election boards of each of the reorganizing
31 political subdivisions.

32 Sec. 36. (a) This section applies if section 5 of this chapter
33 requires an election for a reorganization to become effective.

34 (b) At the next:

35 (1) general election, if the reorganized political subdivision is
36 not a municipality or a school corporation;

37 (2) municipal election, if the reorganized political subdivision
38 is a municipality; or

39 (3) primary or general election, as specified in an election plan
40 adopted in substantially identical resolutions by the legislative
41 body of each of the participating political subdivisions if the
42 reorganized political subdivision is a school corporation;

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1 after the voters approve a reorganization, one (1) set of officers for
2 the reorganized political subdivision having the combined
3 population of the reorganizing political subdivisions shall be
4 elected by the voters in the territory of the reorganized political
5 subdivision as prescribed by statute.

6 (c) In the election described in subsection (b):
7 (1) one (1) member of the municipal legislative body shall be
8 elected from each election district established by the
9 reorganizing political subdivisions in substantially identical
10 resolutions adopted by the legislative body of each of the
11 reorganizing political subdivisions; and

12 (2) the total number of at large members shall be elected as
13 prescribed by statute for the reorganized political subdivision.

14 (d) One (1) set of appointed officers shall be appointed for the
15 reorganized political subdivision. The appointments shall be made
16 as required by statute for the reorganized political subdivision.
17 Any statute requiring an appointed officer to reside in the political
18 subdivision where the appointed officer resides shall be treated as
19 permitting the appointed officer to reside in any part of the
20 territory of the reorganized political subdivision.

21 Sec. 37. The legislative bodies of the reorganizing political
22 subdivisions and an adjacent political subdivision may change the
23 boundaries of the reorganized political subdivision by adopting
24 substantially identical resolutions clearly describing the boundary
25 changes. The resolutions must be filed as required by law for a
26 boundary change for the reorganized political subdivision and may
27 not provide for a territory that is smaller than the territory
28 permitted by law for any of the political subdivisions. If the law
29 establishes additional procedures for the annexation or
30 disannexation of the territory of a political subdivision, the political
31 subdivisions changing boundaries must comply with the annexation
32 or disannexation procedures required by law.

33 Sec. 38. A reorganized political subdivision has the powers
34 granted by statute to a political subdivision of the same type as the
35 reorganized political subdivision. However, if authorized by the
36 plan of reorganization approved by the voters in a public question
37 under this chapter, the reorganized political subdivision will
38 exercise a power or have the officers or number of offices that a
39 statute would have permitted any of the reorganizing political
40 subdivisions to have.

41 Sec. 39. If a law does not permit the reorganized political
42 subdivision to exercise generally throughout the territory of the

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1 reorganized political subdivision a power that any of the
2 reorganizing political subdivisions had before the reorganization,
3 the reorganized political subdivision may exercise the power
4 outside the original territory of the reorganizing political
5 subdivision only by following the laws applicable to the expansion
6 of the service area of the reorganizing political subdivision.

7 Sec. 40. The following apply in the case of a reorganization
8 under this article:

9 (1) Indebtedness that was incurred by a political subdivision
10 before the reorganization:

11 (A) may not be imposed on taxpayers that were not
12 responsible for payment of the indebtedness before the
13 reorganization; and

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

16 (2) Pension obligations existing as of the effective date of the
17 reorganization:

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

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

24 Sec. 41. (a) Notwithstanding any other law, an individual:

25 (1) who is employed as a firefighter or a police officer by a
26 political subdivision that is reorganized under this article;

27 (2) who is a member of the 1977 fund before the effective date
28 of the reorganization under this article; and

29 (3) who, after the reorganization, becomes an employee of the
30 fire department, police department, or county police
31 department of the reorganized political subdivision;

32 remains a member of the 1977 fund without being required to meet
33 the requirements under IC 36-8-8-19 and IC 36-8-8-21. The
34 firefighter or police officer shall receive credit for any service as a
35 member of the 1977 fund before the reorganization to determine
36 the firefighter's or police officer's eligibility for benefits under
37 IC 36-8-8.

38 (b) Notwithstanding any other law, an individual:

39 (1) who is employed as a firefighter by a political subdivision
40 that is reorganized under this article;

41 (2) who is a member of the 1937 fund before the effective date
42 of the reorganization under this article; and

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1 (3) who, after the reorganization, becomes an employee of the
 2 fire department of the reorganized political subdivision;
 3 remains a member of the 1937 fund. The firefighter shall receive
 4 credit for any service as a member of the 1937 fund before the
 5 reorganization to determine the firefighter's eligibility for benefits
 6 under IC 36-8-7.

7 (c) Notwithstanding any other law, an individual:
 8 (1) who is employed as a member of a county police
 9 department by a political subdivision that is reorganized
 10 under this article;

11 (2) who is a member of the sheriff's pension trust before the
 12 effective date of the reorganization under this article; and

13 (3) who, after the reorganization, becomes a law enforcement
 14 officer of the reorganized political subdivision;
 15 remains a member of the sheriff's pension trust. The individual
 16 shall receive credit for any service as a member of the sheriff's
 17 pension trust before the reorganization to determine the
 18 individual's eligibility for benefits under IC 36-8-10.

19 (d) Notwithstanding any other law, an individual:
 20 (1) who is employed as a police officer by a political
 21 subdivision that is reorganized under this article;

22 (2) who is a member of the 1925 fund or 1953 fund before the
 23 effective date of the reorganization under this article; and

24 (3) who, after the reorganization, becomes an employee of the
 25 police department or county police department of the
 26 reorganized political subdivision;
 27 remains a member of the 1925 fund or 1953 fund. The police
 28 officer shall receive credit for any service as a member of the 1925
 29 fund or 1953 fund before the reorganization to determine the
 30 police officer's eligibility for benefits under IC 36-8-6 or
 31 IC 36-8-7.5.

32 (e) Notwithstanding any other law, an individual:
 33 (1) who is employed by a political subdivision that is
 34 reorganized under this article;

35 (2) who is a member of the pre-1996 account (as defined in
 36 IC 21-6.1-1-6.9) before the effective date of the reorganization
 37 under this article; and

38 (3) who, after the reorganization, becomes an employee of the
 39 reorganized political subdivision in a position that qualifies
 40 the individual for service credit in the Indiana state teachers'
 41 retirement fund;
 42 remains a member of the pre-1996 account.

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1 **Sec. 42. If the functions of an elected office are transferred to**
2 **another elected office by a reorganization under this article, any**
3 **law, rule, or agreement that requires or permits an action by an**
4 **elected officer shall be treated after the functions of the elected**
5 **officer are transferred as referring to the elected officer to which**
6 **the functions have been transferred by the reorganization.**

7 **Sec. 43. The legislative body or voters of a reorganized political**
8 **subdivision may terminate a reorganization or restore one (1) or**
9 **more of the reorganizing political subdivisions participating in a**
10 **reorganization in the same manner that a reorganization may be**
11 **initiated under this chapter. If the voters in the reorganized**
12 **political subdivision approve a public question approving**
13 **termination of the reorganization or restoration of a reorganizing**
14 **political subdivision, the reorganized political subdivision shall**
15 **terminate the reorganization and restore the reorganizing political**
16 **subdivisions in the same manner as a reorganization is completed**
17 **under this chapter.**

18 **Chapter 5. Cooperative Agreements and Transfers of**
19 **Responsibilities**

20 **Sec. 1. Notwithstanding any other law, two (2) or more political**
21 **subdivisions may enter into a cooperative agreement under this**
22 **chapter by using the same procedures set forth in this article for**
23 **the initiation and approval of a reorganization under this article.**
24 **A cooperative agreement under this chapter may be initiated and**
25 **approved only in the manner set forth in this article for the**
26 **initiation and approval of a reorganization under this article.**

27 **Sec. 2. (a) A cooperative agreement under this chapter must**
28 **provide at least for the following:**

- 29 **(1) Its duration.**
- 30 **(2) Its purpose.**
- 31 **(3) The manner of financing, staffing, and supplying any joint**
32 **undertaking and of establishing and maintaining a budget for**
33 **any joint undertaking that is the subject of the cooperative**
34 **agreement.**
- 35 **(4) The methods that may be employed in accomplishing the**
36 **partial or complete termination of the cooperative agreement**
37 **and for disposing of property upon partial or complete**
38 **termination of the cooperative agreement.**
- 39 **(5) The manner in which the cooperative agreement is to be**
40 **administered.**
- 41 **(6) The manner of acquiring, holding, and disposing of real**
42 **and personal property that is the subject of the cooperative**

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agreement.

(b) A cooperative agreement may include any condition or term that is necessary or appropriate.

Sec. 3. (a) The cooperative agreement may transfer the functions of an employee or a department of a political subdivision, including an elected office, to another employee or department of any political subdivision that has entered into the cooperative agreement.

(b) The functions of an elected office may be transferred only to another elected office.

(c) The cooperative agreement may provide for the abolishment of an elected office that is not required by the Constitution of the State of Indiana.

Sec. 4. A political subdivision may enter into a cooperative agreement with an entity to share the services of an employee employed by any party to the agreement.

Sec. 5. A cooperative agreement may provide that a political subdivision:

- (1) may appropriate and pledge any legally available revenues to the payment of the bonds, leases, or other obligations of another political subdivision that is a party to the cooperative agreement; and
- (2) will appropriate legally available revenues for any other payment under the cooperative agreement;

if the political subdivision's fiscal body finds that it is necessary, desirable, and in the best interests of the residents of that political subdivision.

Sec. 6. (a) A cooperative agreement may not permit an entity or another instrumentality established to administer the cooperative agreement to take any action that at least one (1) of the parties to the cooperative agreement could not carry out on its own.

(b) A cooperative agreement may permit the transfer of money from one (1) fund of a political subdivision for a use authorized by the cooperative agreement.

Sec. 7. (a) A cooperative agreement transferring the functions of an elected office becomes effective only at the end of the term of the incumbent that holds the office.

(b) Any law, rule, or agreement that requires or permits an action by an employee or elected officer after the functions of the employee or elected officer are transferred shall be treated as referring to the employee or elected officer to which the functions have been transferred by the cooperative agreement.

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1 **Sec. 8. The department of local government finance shall adjust**
2 **as necessary tax rates, tax levies, and budgets of political**
3 **subdivisions that enter into a cooperative agreement under this**
4 **chapter in the same manner as tax rates, tax levies, and budgets are**
5 **adjusted under IC 36-1.5-3 for reorganizing political subdivisions.**
6 **SECTION 5. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1362, 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 3, line 40, delete "for which the voters have adopted a public question" and insert **"in which:**

(1) a resolution has been adopted under IC 36-1.5-4-10; or

(2) a petition has been filed under IC 36-1.5-4-11."

Page 3, delete line 41.

Page 4, line 18, delete "an agreement or".

Page 4, line 28, delete "an agreement or".

Page 4, line 32, delete "an agreement or".

Page 5, line 2, delete "an agreement or".

Page 5, line 6, delete "agreement or".

Page 6, line 14, delete "participating" and insert "reorganizing".

Page 6, delete lines 27 through 42.

Delete page 7.

Page 8, delete lines 1 through 36.

Page 8, line 37, delete "15." and insert "5."

Page 8, line 41, delete "finally adopted plan of" and insert **"joint certification from the county election board in each county in which reorganizing political subdivisions are located that indicates that the reorganization has been approved by the voters of each reorganizing political subdivision"**.

Page 8, line 42, delete "reorganization".

Page 8, line 42, delete "28" and insert "31".

Page 9, line 5, delete "30" and insert "36".

Page 9, line 26, delete "16." and insert "6."

Page 10, delete lines 5 through 20.

Page 10, line 21, delete "18." and insert "7."

Page 10, line 27, after "or" insert **", if authorized in the plan of reorganization,"**.

Page 10, line 36, after "or" insert **", if authorized in the plan of reorganization,"**.

Page 10, delete lines 40 through 41, begin a new paragraph and insert:

"Sec. 8. The department of local government finance may prescribe forms for petitions, resolutions, certifications, and other writings required under this chapter. A petition, resolution, certification, or other writing related to a reorganization must be substantially in the form prescribed by the department of local

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government finance.

Sec. 9. A reorganization may be initiated by:

- (1) adopting a resolution under section 10 of this chapter; or**
- (2) filing a petition under section 11 of this chapter.**

Sec. 10. (a) The legislative body of a political subdivision may initiate a proposed reorganization under this chapter by adopting a resolution that:

- (1) proposes a reorganization; and**
- (2) names the political subdivisions that would be reorganized in the proposed reorganization.**

(b) The clerk of the political subdivision adopting the resolution shall certify the resolution to the clerk of each political subdivision named in the resolution.

Sec. 11. (a) The voters of a political subdivision may initiate a proposed reorganization by filing a written petition, substantially in the form prescribed by the department, with the clerk of the political subdivisions that:

- (1) proposes a reorganization; and**
- (2) names the political subdivisions that would be reorganized in the proposed reorganization.**

(b) If the written petition is signed by at least ten percent (10%) of the voters of the political subdivision, as determined by the vote cast in the political subdivision for secretary of state at the most recent general election, the clerk of the political subdivision shall certify the petition to the legislative body of the political subdivision.

Sec. 12. (a) If a petition is certified to the legislative body of a political subdivision under section 11 of this chapter, the legislative body shall conduct a public hearing on the proposed reorganization not sooner than five (5) days after publishing a notice of the public hearing under IC 5-3-1. Not more than thirty (30) days after the conclusion of the public hearing the legislative body shall adopt a resolution, substantially in the form prescribed by the department of local government finance, to do any of the following:

- (1) Deny the petition.**
- (2) Propose a reorganization with the political subdivisions named in the petition.**
- (3) Propose a reorganization with political subdivisions that differ in part or in whole from the political subdivisions named in the petition.**

(b) The clerk of the political subdivision adopting a resolution

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proposing a reorganization under this section shall certify the resolution to the clerk of each political subdivision named in the resolution.

Sec. 13. (a) The legislative body of a political subdivision that receives a certified resolution under section 10 or 12 of this chapter may do any of the following:

- (1) Take no action.
- (2) Adopt a resolution declining to participate in a proposed reorganization
- (3) Adopt a substantially identical resolution proposing to participate in a proposed reorganization with the political subdivisions named in a resolution certified to the political subdivision.
- (4) Adopt a resolution proposing to participate in a proposed reorganization with political subdivisions that differ in part or in whole from the political subdivisions named in a resolution certified to the political subdivision.

(b) The clerk of the political subdivision adopting a resolution proposing a reorganization under this section shall certify the resolution to the clerk of each political subdivision named in the resolution.

Sec. 14. The legislative body of a political subdivision may revise a resolution certified under section 10, 12, or 13 of this chapter by adding or deleting proposed parties to the reorganization until all of the political subdivisions named in the resolution have adopted substantially identical reorganization resolutions."

Page 10, line 42, delete "reorganization under this chapter," begin a new paragraph and insert:

"Sec. 15. Not later than thirty (30) days after the clerk of the last political subdivision to adopt a reorganization resolution under this chapter has certified the resolution to all of the political subdivisions named in the resolution,".

Page 11, line 2, delete "20" and insert "16".

Page 11, delete lines 5 through 10.

Page 11, line 11, delete "20." and insert "16."

Page 11, line 13, delete "under section 17" and insert "by the reorganizing political subdivisions."

Page 11, line 14, delete "of this chapter."

Page 11, line 39, delete "under" and insert "by the reorganizing political subdivisions,".

Page 11, line 40, delete "section 17 of this chapter,".

Page 12, line 3, delete "under section 17" and insert "by the

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reorganizing political subdivisions;"

Page 12, line 4, delete "of this chapter;"

Page 12, line 7, delete "21." and insert "17."

Page 12, line 18, delete "22." and insert "18."

Page 13, line 1, delete "34" and insert "40".

Page 13, line 9, delete ", in an agreement under section 17 of this".

Page 13, line 10, delete "chapter,"

Page 13, line 17, delete "voters" and insert **"clerk of the last political subdivision to adopt a reorganization resolution under this chapter has certified the resolution to all of the political subdivisions named in the resolution."**

Page 13, delete line 18.

Page 13, line 19, delete "23." and insert "19."

Page 13, line 33, delete "24." and insert "20."

Page 13, line 34, delete "23" and insert "19".

Page 14, line 3, delete "25." and insert "21."

Page 14, line 7, delete "26." and insert "22."

Page 14, line 8, delete "action" and insert **"any of the actions described in section 20 of this chapter"**.

Page 14, line 13, delete "27." and insert "23."

Page 14, delete lines 24 through 30, begin a new paragraph and insert:

"Sec. 24. The legislative body of the reorganizing political subdivision with the largest population shall provide for a certified copy of the plan of reorganization to be filed with each of the following at the same time certifications are made under section 23 of this chapter:

- (1) The county recorder of each county in which a reorganizing political subdivision is located.**
- (2) The department of local government finance.**
- (3) If any of the reorganizing political subdivisions is a school corporation, the department of education.**
- (4) If the plan of reorganization changes any election district or abolishes an elected office, the clerk of the circuit court in each county affected by the election district or elected office."**

Page 14, line 31, delete "28." and insert "25."

Page 14, line 32, delete "27" and insert "23".

Page 14, between lines 34 and 35, begin a new paragraph and insert:

"Sec. 26. When a county recorder has received certifications under this chapter from all of the reorganizing political subdivisions, the county recorder shall notify the county election board of each county in which a reorganizing political subdivision

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is located that a public question on a plan of reorganization is eligible to be placed on the ballot for consideration of the voters of each of the reorganizing political subdivisions.

Sec. 27. After the county recorder of each county in which a reorganizing political subdivision is located has notified the county election board that a public question on a plan of reorganization is eligible to be placed on the ballot, the county election board shall place the public question on the ballot in accordance with IC 3-10-9 on the first regularly scheduled election that will occur in all of the precincts of the reorganizing political subdivisions at least sixty (60) days after the required notices are received.

Sec. 28. A public question under this chapter shall be placed on the ballot in all of the precincts that are located in the reorganizing political subdivisions in substantially the following form:

"Shall _____ (insert name of political subdivision) and _____ (insert name of political subdivision) reorganize as a single political subdivision?"

Sec. 29. IC 3 applies to the election at which a public question under this chapter is considered.

Sec. 30. At the same time that election results are certified under IC 3, the circuit court clerk of each of the counties in which a public question under this chapter is on the ballot shall jointly issue, in the form prescribed by the state election board, a certificate declaring whether the public question is approved or rejected by a majority of the voters voting on the public question in each of the reorganizing political subdivisions. In addition to any other requirements in IC 3 concerning filing of the certification, the certification shall be sent to each of the following:

- (1) The clerk of each of the reorganizing political subdivisions.
- (2) The county auditor of each county in which a reorganizing political subdivision is located.
- (3) The county recorder of each county in which a reorganizing political subdivision is located.
- (4) The state board of accounts.
- (5) The department of local government finance.
- (6) The department of state revenue.
- (7) The budget agency.
- (8) If any of the reorganizing political subdivisions is a school corporation, the department of education.

Sec. 31. Each county recorder receiving a certification from a county election board under section 30 of this chapter shall file the certification without charge with the plan of reorganization

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recorded under section 25 of this chapter.

Sec. 32. A reorganization as specified in the plan of reorganization is approved if a majority of the voters in each reorganizing political subdivision approve the public question on the reorganization. The vote of voters of a reorganizing political subdivision, (for example, a township) who also are voters in another political subdivision (for example, a county) shall be included in the tally of votes for each reorganizing political subdivision in which the voters reside.

Sec. 33. If a reorganization is not approved by the majority of the voters in each reorganizing political subdivision, the reorganization is terminated. A political subdivision in which voters of the political subdivision approved the reorganization may continue with a reorganization with another political subdivision in which the reorganization was approved only if a new plan of reorganization is approved by the voters of each political subdivision in the manner provided by this chapter. The reorganization committee shall adopt a plan to specify how matters related to the termination of the reorganization shall be handled.

Sec. 34. (a) This section applies if the majority of the voters of each of the reorganizing political subdivisions approves the public question concerning the reorganization.

(b) Except as provided in subsection (c), the political subdivisions are reorganized in the form and under the conditions specified by the legislative bodies of the reorganizing political subdivisions in the plan of reorganization filed with the county recorder under this chapter."

Page 14, line 35, delete "29." and insert "35."

Page 15, line 6, delete "30." and insert "36."

Page 15, line 6, delete "15" and insert "5".

Page 15, line 37, delete "31." and insert "37."

Page 16, line 7, delete "32." and insert "38."

Page 16, line 9, delete "the reorganizing" and insert "**if authorized by the plan of reorganization approved by the voters in a public question under this chapter, the**".

Page 16, delete line 10.

Page 16, line 14, delete "33." and insert "39."

Page 16, line 22, delete "34." and insert "40."

Page 16, line 22, delete "subsection (b)" and insert "**subsections (b) and (c)**".

Page 16, between lines 37 and 38, begin a new paragraph and insert:
"(b) Except as provided in subsection (c), if any indebtedness of

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a reorganizing political subdivision exists after the reorganization and before the reorganization revenue from a local income tax, excise tax, or sales tax revenue was pledged by the political subdivision to pay any part of the indebtedness, the fiscal body of the reorganized political subdivision shall annually impose the local income tax, excise tax, sales tax, or, if permitted by the original obligation, another tax until the indebtedness is fully paid. The tax rate may not exceed the tax rate necessary to repay the indebtedness and interest on the indebtedness. The tax shall be imposed in:

- (1) the area served by the reorganizing political subdivision before the reorganization; or
- (2) if permitted in the plan of reorganization, the entire area of the reorganized political subdivision.

In addition, the reorganized political subdivision may provide for the sharing of the revenue of the reorganized political subdivision from any area of the reorganized political subdivision to retire the indebtedness."

Page 16, line 38, delete "(b)" and insert "(c)".

Page 17, line 8, delete "subsection (a)" and insert "subsections (a) and (b)".

Page 17, line 11, delete "35." and insert "41."

Page 18, between lines 29 and 30, begin a new paragraph and insert:

"Sec. 42. If the functions of an elected office are transferred to another elected office by a reorganization under this article, any law, rule, or agreement that requires or permits an action by an elected officer shall be treated after the functions of the elected officer are transferred as referring to the elected officer to which the functions have been transferred by the reorganization."

Page 18, line 30, delete "36." and insert "43."

and when so amended that said bill do pass.

(Reference is to HB 1362 as introduced.)

BUCK, Chair

Committee Vote: yeas 10, nays 2.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1362 be amended to read as follows:

Page 15, line 14, delete "The vote of voters of a reorganizing political" and insert "**The vote of voters of a reorganizing political subdivision (for example, a township) who also are voters in a second reorganizing political subdivision (for example, a county) that is geographically larger than the first political subdivision and that includes the territory of the first political subdivision shall be included only in the tally of votes for the first reorganizing political subdivision in which the voters reside.**".

Page 15, delete lines 15 through 18.

(Reference is to HB 1362 as printed January 20, 2006.)

BUCK

 COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred House Bill No. 1362, 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 2, delete line 42, begin a new paragraph and insert:

"Sec. 2. This article contains full and complete authority for the following:

- (1) Reorganization of political subdivisions.**
- (2) Exercise of governmental functions under a cooperative agreement under this article.**
- (3) Transfer of responsibilities between offices and officers under this article."**

Page 3, delete line 1.

Page 3, line 6, delete "to reorganize under this article." and insert "to:

- (1) reorganize;**
 - (2) exercise governmental functions under a cooperative agreement; or**
 - (3) transfer responsibilities between offices and officers;**
- under this article."**

Page 3, delete lines 17 through 19, begin a new paragraph and

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insert:

"Sec. 7. This article does not prohibit the:

- (1) reorganization of one (1) or more political subdivisions;**
- (2) exercise of governmental functions under a cooperative agreement; or**
- (3) transfer of responsibilities between offices and officers;**

under another law that is not included in this article."

Page 3, between lines 21 and 22, begin a new paragraph and insert:

"Sec. 9. Political subdivisions and reorganization committees acting under this article are subject to IC 5-14-1.5 (open door law) and IC 5-14-3 (public records law)."

Page 5, line 9, after "1." insert "(a)".

Page 5, line 13, delete "." and insert **"located entirely within the same county."**

Page 5, line 36, delete "and the" and insert **"and a"**.

Page 5, line 36, after "county" insert **"having a population of not more than one hundred seventy thousand (170,000)"**.

Page 5, between lines 37 and 38, begin a new line block indented and insert:

"(10) A municipality and a county:

- (A) that has a population of more than one hundred seventy thousand (170,000);**
- (B) that does not contain a consolidated city; and**
- (C) in which a majority of the population of the municipality resides."**

Page 5, line 38, delete "(10)" and insert "(11)".

Page 5, line 41, delete "(11)" and insert "(12)".

Page 6, between lines 1 and 2, begin a new paragraph and insert:

"(b) If a political subdivision reorganizes under this article with one (1) or more other political subdivisions:

- (1) any political subdivisions that did not participate in the public question on the reorganization are not reorganized under this article;**
- (2) the reorganization affects only those political subdivisions in which the reorganization is approved as specified in this article; and**
- (3) the reorganization does not affect the rights, powers, and duties of any political subdivisions in the county in which the reorganization is not approved as specified in this article."**

Page 6, line 35, after "subdivision" insert **"or (in the case of a reorganization described in section 1(10) of this chapter) by the voters of the entire county"**.

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Page 7, line 39, delete "." and insert ", **subject to section 40 of this chapter.**".

Page 9, line 2, delete "ten percent (10%)" and insert "**five percent (5%)**".

Page 9, delete line 17.

Page 9, line 18, delete "(2)" and insert "(1)".

Page 9, line 20, delete "(3)" and insert "(2)".

Page 9, delete line 30.

Page 9, line 31, delete "(2)" and insert "(1)".

Page 9, line 33, delete "(3)" and insert "(2)".

Page 9, line 37, delete "(4)" and insert "(3)".

Page 14, line 12, after "subdivisions" delete "." and insert "**or (in the case of a reorganization described in section 1(10) of this chapter) for consideration by the voters of the entire county.**".

Page 14, line 29, delete "At" and insert "**(a) Except as provided in subsection (b), at**".

Page 15, between lines 6 and 7, begin a new paragraph and insert: "**(b) In the case of a public question on a reorganization described in section 1(10) of this chapter:**

- (1) the vote on the public question shall be tabulated on a countywide basis;**
- (2) the circuit court clerk shall issue, in a form prescribed by the state election board, a certificate declaring whether the public question is approved by a majority of the voters of the county voting on the public question;**
- (3) the reorganization is approved if a majority of the voters of the county voting on the public question approve the reorganization; and**
- (4) it is not required for approval of the reorganization that a majority of the voters of each of the reorganizing political subdivisions approve the reorganization."**

Page 15, line 11, after "32." insert "**(a) This subsection does not apply to a reorganization described in section 1(10) of this chapter.**".

Page 15, line 15, delete "township)" and insert "**city)**".

Page 15, line 16, delete "county)" and insert "**township)**".

Page 15, between lines 20 and 21, begin a new paragraph and insert:

"(b) This subsection applies only to a reorganization described in section 1(10) of this chapter. The reorganization is approved if a majority of the voters of the county voting on the public question on the reorganization approve the reorganization."

Page 15, line 33, after "reorganization" delete "." and insert "**or (in**

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the case of a reorganization described in section 1(10) of this chapter) if a majority of the voters of the entire county approve the public question concerning the reorganization."

Page 17, delete lines 27 through 42, begin a new paragraph and insert:

"Sec. 40. The following apply in the case of a reorganization under this article:

(1) Indebtedness that was incurred by a political subdivision 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."

Page 18, delete lines 1 through 34.

Page 20, between lines 28 and 29, begin a new paragraph and insert:

"Chapter 5. Cooperative Agreements and Transfers of Responsibilities

Sec. 1. Notwithstanding any other law, two (2) or more political subdivisions may enter into a cooperative agreement under this chapter by using the same procedures set forth in this article for the initiation and approval of a reorganization under this article. A cooperative agreement under this chapter may be initiated and approved only in the manner set forth in this article for the initiation and approval of a reorganization under this article.

Sec. 2. (a) A cooperative agreement under this chapter must provide at least for the following:

(1) Its duration.

(2) Its purpose.

(3) The manner of financing, staffing, and supplying any joint undertaking and of establishing and maintaining a budget for any joint undertaking that is the subject of the cooperative agreement.

(4) The methods that may be employed in accomplishing the

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partial or complete termination of the cooperative agreement and for disposing of property upon partial or complete termination of the cooperative agreement.

(5) The manner in which the cooperative agreement is to be administered.

(6) The manner of acquiring, holding, and disposing of real and personal property that is the subject of the cooperative agreement.

(b) A cooperative agreement may include any condition or term that is necessary or appropriate.

Sec. 3. (a) The cooperative agreement may transfer the functions of an employee or a department of a political subdivision, including an elected office, to another employee or department of any political subdivision that has entered into the cooperative agreement.

(b) The functions of an elected office may be transferred only to another elected office.

(c) The cooperative agreement may provide for the abolishment of an elected office that is not required by the Constitution of the State of Indiana.

Sec. 4. A political subdivision may enter into a cooperative agreement with an entity to share the services of an employee employed by any party to the agreement.

Sec. 5. A cooperative agreement may provide that a political subdivision:

- (1) may appropriate and pledge any legally available revenues to the payment of the bonds, leases, or other obligations of another political subdivision that is a party to the cooperative agreement; and
- (2) will appropriate legally available revenues for any other payment under the cooperative agreement;

if the political subdivision's fiscal body finds that it is necessary, desirable, and in the best interests of the residents of that political subdivision.

Sec. 6. (a) A cooperative agreement may not permit an entity or another instrumentality established to administer the cooperative agreement to take any action that at least one (1) of the parties to the cooperative agreement could not carry out on its own.

(b) A cooperative agreement may permit the transfer of money from one (1) fund of a political subdivision for a use authorized by the cooperative agreement.

Sec. 7. (a) A cooperative agreement transferring the functions

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of an elected office becomes effective only at the end of the term of the incumbent that holds the office.

(b) Any law, rule, or agreement that requires or permits an action by an employee or elected officer after the functions of the employee or elected officer are transferred shall be treated as referring to the employee or elected officer to which the functions have been transferred by the cooperative agreement.

Sec. 8. The department of local government finance shall adjust as necessary tax rates, tax levies, and budgets of political subdivisions that enter into a cooperative agreement under this chapter in the same manner as tax rates, tax levies, and budgets are adjusted under IC 36-1.5-3 for reorganizing political subdivisions."

and when so amended that said bill do pass.

(Reference is to HB 1362 as reprinted January 24, 2006.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 6, Nays 5.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1362 be amended to read as follows:

Page 7, delete lines 25 through 32, begin a new line double block indented and insert:

"(A) the date that a copy of a joint certification from the county election board in each county in which reorganizing political subdivisions are located that indicates that:

(i) the reorganization has been approved by the voters of each reorganizing political subdivision; or

(ii) in the case of a reorganization described in section 1(a)(10) of this chapter, the reorganization has been approved as set forth in section 32(b) of this chapter;

is recorded as required by section 31 of this chapter; or"

Page 16, delete lines 5 through 18, begin a new paragraph and insert:

"(b) In the case of a public question on a reorganization described in section 1(a)(10) of this chapter:

(1) the public question on a plan of reorganization shall be placed on the ballot for consideration by the voters of the



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- entire county;
- (2) the vote on the public question by the voters of the entire county shall be tabulated;
- (3) the vote on the public question by the voters of:
- (A) each reorganizing municipality; and
 - (B) the county (excluding the voters of the reorganizing municipalities);
- shall be tabulated separately;
- (4) the circuit court clerk shall issue, in a form prescribed by the state election board, separate certificates regarding whether the public question is approved or rejected by the voters of:
- (A) the entire county;
 - (B) each reorganizing municipality; and
 - (C) the county (excluding the voters of the reorganizing municipalities);
- voting on the public question; and
- (5) the reorganization is approved only if all of the following occur:
- (A) A majority of the voters of the entire county voting on the public question vote in favor of the reorganization.
 - (B) Less than sixty-five percent (65%) of the voters of each reorganizing municipality vote against the reorganization.
 - (C) Less than sixty-five percent (65%) of the voters of the county (excluding the voters of the reorganizing municipalities) vote against the reorganization."

Page 16, delete lines 34 through 37, begin a new paragraph and insert:

"(b) This subsection applies only to a reorganization described in section 1(a)(10) of this chapter. The reorganization is approved only if:

- (1) a majority of the voters of the entire county approve the public question on the reorganization;
- (2) less than sixty-five percent (65%) of the voters of each reorganizing municipality disapprove the public question on the reorganization; and
- (3) less than sixty-five percent (65%) of the voters of the county (excluding the voters of the reorganizing municipalities) disapprove the public question on the reorganization.

In tabulating the votes under subdivisions (2) and (3), the vote of voters of a reorganizing municipality who also are voters in the

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county shall be included only in the tally of votes for the municipality in which the voters reside."

Page 17, delete lines 6 through 11, begin a new paragraph and insert:

"Sec. 34. (a) This section applies if:

- (1) the majority of the voters of each of the reorganizing political subdivisions approve the public question concerning the reorganization; or
- (2) in the case of a reorganization described in section 1(a)(1) of this chapter, the reorganization is approved as set forth in section 32(b) of this chapter."

(Reference is to EHB 1362 as printed February 24, 2006.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1362 be amended to read as follows:

Page 10, between lines 13 and 14, begin a new line block indented and insert:

"(1) Adopt a resolution declining to participate in the proposed reorganization."

Page 10, line 14, delete "(1)" and insert "(2)".

Page 10, line 16, delete "(2)" and insert "(3)".

Page 14, between lines 25 and 26, begin a new paragraph and insert:

"Sec. 23.5. The following apply if the legislative bodies of all political subdivisions that have been presented with a plan of reorganization under section 18(c) of this chapter have not adopted a plan of reorganization, either as presented by the reorganization committee or as modified by all of the political subdivisions, within one (1) year after the plan of reorganization is presented:

(1) Not later than one (1) month after the end of the one (1) year period in which the legislative bodies must adopt a plan of reorganization, the reorganization committee shall submit a final plan of reorganization to the legislative bodies of the political subdivisions.

(2) Not later than one (1) month after receiving the final plan of reorganization under subdivision (1), each of the legislative bodies must:

(A) hold a hearing on the final plan of reorganization; and



(B) adopt either a resolution approving the final plan of reorganization or a resolution rejecting the final plan of reorganization.

If a legislative body does not adopt a resolution under this subdivision within the one (1) month period, the failure to adopt a resolution is considered to be an approval of the final plan of reorganization.

(3) If all of the legislative bodies adopt a resolution approving the final plan of reorganization, the legislative bodies shall certify their approval under section 23 of this chapter.

(4) If any of the legislative bodies adopts a resolution rejecting the final plan of reorganization, the registered voters of a political subdivision in which the final plan of reorganization was rejected by a legislative body under subdivision (2) may submit a petition to the clerk of the circuit court approving the final plan of reorganization and requesting that a public question be held on the final plan of reorganization. The petition must be submitted not later than one hundred eighty (180) days after the legislative body voted to reject the final plan of reorganization. If the petition is signed by at least ten percent (10%) of the registered voters of the political subdivision:

(A) the political subdivision is considered to have approved the holding of the public question on the final plan of reorganization, notwithstanding the vote by the legislative body rejecting the final plan of reorganization; and

(B) the clerk of the circuit court shall certify approval of the final plan of the reorganization and the holding of the public question in the manner specified in section 23 of this chapter."

Page 14, line 40, after "chapter" insert "**either from the legislative body of a political subdivision or from a clerk of the circuit court after a petition process under section 23.5 of this chapter in a political subdivision,**".

Page 15, line 3, after "subdivisions," insert "**either from the legislative body of a political subdivision or from a clerk of the circuit court after a petition process under section 23.5 of this chapter in a political subdivision,**".

(Reference is to EHB 1362 as printed February 24, 2006.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1362 be amended to read as follows:

Page 3, line 39, delete "The" and insert "**Except as provided in section 4 of this chapter, the**".

Page 4, between lines 3 and 4, begin a new paragraph and insert:

"Sec. 4. "Political subdivision" has the meaning set forth in IC 36-1-2, except that the term does not include a local hospital authority or corporation."

Page 4, line 4, delete "4." and insert "5."

Page 4, line 7, delete "5." and insert "6."

Page 4, line 10, delete "6." and insert "7."

Page 4, line 13, delete "7." and insert "8."

(Reference is to EHB 1362 as printed February 24, 2006.)

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