

**CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1362**

Citations Affected: IC 36-1-2; IC 36-1.5.

Synopsis: Local government reorganization. Establishes a uniform procedure for the reorganization of political subdivisions. 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 (as determined by the vote cast in the political subdivision for secretary of state at the most recent general election). 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 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 voters in a political subdivision (as determined by the vote cast in the political subdivision for secretary of state at the most recent general election) 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 between a county and a municipality, the legislative bodies of the reorganizing political subdivisions must agree on whether the public question on the proposed reorganization shall be: (1) conducted on a county-wide basis, without a rejection threshold; or (2) conducted on a county-wide basis, with a rejection threshold. Provides that in the case of a proposed reorganization between a county and a municipality, the reorganization committee shall include in the reorganization plan the percentage of voters voting on the public question regarding the proposed reorganization who must vote in favor of the proposed reorganization, on a county-wide basis, for the public question to be approved (the "county-wide vote approval percentage"). Provides that if the legislative bodies agree that the public question shall include a rejection threshold, the reorganization committee shall determine that rejection threshold percentage. Specifies that the rejection threshold must be the same for each municipality that is a party to the proposed reorganization and to the county that is a party to the proposed reorganization. Provides that in the case of a proposed reorganization between a county and a municipality, the reorganization is approved only if: (1) the percentage of voters voting on the public question who vote, on a county-wide basis, in favor of the proposed reorganization is at least equal to the county-wide vote approval

percentage included in reorganization plan; and (2) if the legislative bodies have agreed to include a rejection threshold, the percentage of voters of the county (excluding the voters of the reorganizing municipalities) voting on the public question who vote against the reorganization is less than a rejection threshold specified in the final reorganization plan and the percentage of voters of each reorganizing municipality voting on the public question who vote against the reorganization is less than the rejection threshold specified in the final reorganization plan. 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 and must be paid by the taxpayers that were 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. **(This conference committee report: (1) specifies that references to voters means those voters voting on a public question; (2) deletes the current provisions in the bill that provide different methods for approval of a proposed reorganization between a county and a municipality, depending on the size of the county; (3) adds language providing that in the case of a proposed reorganization between a county and a municipality, the reorganizing political subdivisions must agree on whether the public question on the proposed reorganization shall be conducted on a county-wide basis, without a rejection threshold, or conducted on a county-wide basis, with a rejection threshold; (4) adds the provision specifying that in the case of a proposed reorganization between a county and a municipality, the reorganization committee shall include in the reorganization plan the percentage of voters voting on the public question regarding the proposed reorganization who must vote in favor of the proposed reorganization, on a county-wide basis, for the public question to be approved (the "county-wide vote approval percentage"); (5) adds the provision specifying that if the legislative bodies agree that the public question shall include a rejection threshold, the reorganization committee shall determine that rejection threshold; (6) adds the provisions specifying that in the case of a proposed reorganization between a county and a municipality, the reorganization is approved only if: (a) the percentage of voters voting on the public question who vote in favor of the proposed reorganization is at least equal to the county-wide vote approval percentage; and (b) if the legislative bodies have agreed to include a rejection threshold, the percentage of voters of the county (excluding the voters of the reorganizing municipalities) voting on the public question who vote against the reorganization is less than a rejection threshold specified in the final reorganization plan and the percentage of voters of each reorganizing municipality voting on the public question who vote against the reorganization is less than the rejection threshold specified in the final reorganization plan; (7) specifies that in the circumstances where 10% of the voters of a political subdivision may submit a petition approving the plan of reorganization and requesting the public question to be held, notwithstanding the legislative body's disapproval of the plan of reorganization, the 10% threshold is judged against the vote cast in the political subdivision for secretary of state at the most recent general election; and (8) deletes duplicate text, removes an incorrect cross reference, and corrects a reference to the initial plan of reorganization.)**

Effective: Upon passage.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1362 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 36-1-2-4 IS AMENDED TO READ AS FOLLOWS
- 3 [EFFECTIVE UPON PASSAGE]: Sec. 4. "Clerk" means:
- 4 (1) clerk of the circuit court, for a county;
- 5 (2) county auditor, for a board of county commissioners or county
- 6 council;
- 7 (3) clerk of the city-county council, for a consolidated city;
- 8 (4) city clerk, for a second class city;
- 9 (5) clerk-treasurer, for a third class city; **or**
- 10 (6) clerk-treasurer, for a town; **or**
- 11 **(7) chief executive officer of a political subdivision not**
- 12 **described in subdivisions (1) through (6).**
- 13 SECTION 2. IC 36-1-2-6 IS AMENDED TO READ AS FOLLOWS
- 14 [EFFECTIVE UPON PASSAGE]: Sec. 6. "Fiscal body" means:
- 15 (1) county council, for a county not having a consolidated city;
- 16 (2) city-county council, for a consolidated city or county having a
- 17 consolidated city;
- 18 (3) common council, for a city other than a consolidated city;
- 19 (4) town council, for a town;
- 20 (5) township board, for a township; **or**
- 21 (6) governing body or budget approval body, for any other political
- 22 subdivision **that has a governing body or budget approval body;**
- 23 **or**

1 **(7) chief executive officer of any other political subdivision that**
 2 **does not have a governing body or budget approval body.**

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

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

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

21 **ARTICLE 1.5. GOVERNMENT MODERNIZATION**

22 **Chapter 1. General Provisions**

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

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

38 **Sec. 2. This article contains full and complete authority for the**
 39 **following:**

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

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

- 50 **(1) reorganize;**
 51 **(2) enter into or exercise governmental functions under a**

1 cooperative agreement; or
 2 (3) transfer responsibilities between offices and officers;
 3 under this article.

4 Sec. 4. A political subdivision may exercise the powers granted
 5 under this article to reorganize or enter into cooperative
 6 agreements without complying with the provisions of any other
 7 law, statute, or rule.

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

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

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

16 (1) reorganization of one (1) or more political subdivisions;
 17 (2) exercise of governmental functions under an interlocal
 18 cooperation agreement or a cooperative agreement; or
 19 (3) transfer of responsibilities between offices and officers;
 20 under another law that is not included in this article.

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

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

26 Chapter 2. Definitions

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

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

31 Sec. 3. "Plan of reorganization" refers to a plan of reorganization
 32 approved by the legislative body of each reorganizing political
 33 subdivision under this article.

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

37 Sec. 5. "Reorganization" means a change in the structure or
 38 administration of a political subdivision described in IC 36-1.5-4-3
 39 and IC 36-1.5-4-4.

40 Sec. 6. "Reorganization committee" refers to a committee
 41 established under this article to assist reorganizing political
 42 subdivisions with developing a plan of reorganization.

43 Sec. 7. "Reorganized political subdivision" means the political
 44 subdivision that is the successor to the reorganizing political
 45 subdivisions participating in a reorganization.

46 Sec. 8. "Reorganizing political subdivision" refers to a political
 47 subdivision in which:

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

50 Chapter 3. Adjustment of Maximum Permissible Levies, Tax 51 Rates, and Budgets

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

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

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

13 **Sec. 4. Subject to this chapter, the department of local**
 14 **government finance shall adjust the maximum permissible**
 15 **property tax levies, maximum permissible property tax rates, and**
 16 **budgets of political subdivisions that enter into a reorganization**
 17 **under this article as the department of local government finance**
 18 **determines necessary to do the following:**

19 **(1) Eliminate double taxation by different political subdivisions**
 20 **for services or goods provided under this article.**

21 **(2) Eliminate any excess by which the amount of property taxes**
 22 **imposed by a political subdivision exceeds the amount**
 23 **necessary to pay for services or goods provided under this**
 24 **article.**

25 **(3) Restore taxing powers of a political subdivision after the**
 26 **termination of a reorganization under this article that are**
 27 **necessary to fund governmental services to the individuals and**
 28 **entities served by the political subdivision.**

29 **(4) Restore taxing powers of a political subdivision after the**
 30 **withdrawal of a party from a reorganization under this article**
 31 **that are necessary to fund governmental services to the**
 32 **individuals and entities served by the political subdivision.**

33 **Sec. 5. The department shall establish a formula for adjusting**
 34 **maximum permissible property tax levies, maximum permissible**
 35 **property tax rates, and budgets under this chapter that permits a**
 36 **political subdivision (or a successor political subdivision) that**
 37 **realizes a:**

38 **(1) savings to its taxpayers; or**

39 **(2) reduction in the reasonably foreseeable expenses that would**
 40 **otherwise be incurred by its taxpayers;**

41 **through a reorganization under this article to continue to levy part**
 42 **of the realized savings or reduction. The adjustment under this**
 43 **section may not exceed fifty percent (50%) of the savings or**
 44 **reduction realized in the first full year of operation after the**
 45 **reorganization is implemented, as determined by the department**
 46 **of local government finance.**

47 **Chapter 4. Reorganization by Referendum**

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

50 **(1) Two (2) or more counties. A county reorganizing under this**
 51 **subdivision must be adjacent to at least one (1) other county**

- 1 participating in the reorganization.
- 2 (2) Two (2) or more townships located entirely within the same
- 3 county. A township reorganizing under this subdivision must
- 4 be adjacent to at least one (1) other township participating in
- 5 the reorganization.
- 6 (3) Two (2) or more municipalities. A municipality
- 7 reorganizing under this subdivision must be adjacent to at least
- 8 one (1) other municipality participating in the reorganization.
- 9 (4) Two (2) or more school corporations. A school corporation
- 10 reorganizing under this subdivision must be adjacent to at least
- 11 one (1) other school corporation participating in the
- 12 reorganization.
- 13 (5) Two (2) or more municipal corporations, other than a unit
- 14 or a school corporation, that have substantially equivalent
- 15 powers. A municipal corporation reorganizing under this
- 16 subdivision must be adjacent to at least one (1) other municipal
- 17 corporation participating in the reorganization.
- 18 (6) Two (2) or more special taxing districts that are adjacent to
- 19 at least one (1) other special taxing district participating in the
- 20 reorganization.
- 21 (7) A township and a municipality that is located in any part of
- 22 the same township.
- 23 (8) A county and one (1) or more townships that are located in
- 24 the county.
- 25 (9) A municipality and a county that does not contain a
- 26 consolidated city.
- 27 (10) A school corporation and a county or municipality in
- 28 which a majority of the students of the school corporation have
- 29 legal settlement (as defined by IC 20-18-2-11).
- 30 (11) A municipal corporation, other than a unit or a school
- 31 corporation, and a county or municipality in which a majority
- 32 of the population of the municipal corporation resides.
- 33 (b) If a political subdivision reorganizes under this article with
- 34 one (1) or more other political subdivisions:
- 35 (1) any political subdivisions that did not participate in the
- 36 public question on the reorganization are not reorganized
- 37 under this article;
- 38 (2) the reorganization affects only those political subdivisions
- 39 in which the reorganization is approved as specified in this
- 40 article; and
- 41 (3) the reorganization does not affect the rights, powers, and
- 42 duties of any political subdivisions in the county in which the
- 43 reorganization is not approved as specified in this article.
- 44 **Sec. 2.** For purposes of this chapter, two (2) political subdivisions
- 45 may not be treated as adjacent if the political subdivisions are
- 46 connected by a strip of land that is less than one hundred fifty (150)
- 47 feet wide.
- 48 **Sec. 3.** Political subdivisions described in section 1 of this chapter
- 49 may participate under this chapter in any of the following types of
- 50 reorganization:
- 51 (1) Consolidation of the participating political subdivisions into

1 a single new political subdivision.

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

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

8 (1) Adjust any of its boundaries.

9 (2) Establish a joint service area with another political
10 subdivision.

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

12 (4) Provide for a legislative body, an executive, or a fiscal body
13 of the reorganized political subdivision to exercise the powers
14 of a legislative body, an executive, or a fiscal body of a
15 reorganizing political subdivision.

16 (5) Change the name of the political subdivision or select a new
17 name.

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

21 (1) The later of:

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

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

27 (ii) in the case of a reorganization described in section
28 1(a)(9) of this chapter, the reorganization has been
29 approved as set forth in section 32(b) of this chapter;

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

31 (B) the date specified in the finally adopted plan of
32 reorganization.

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

36 (A) the reorganized political subdivision is a new political
37 subdivision and reorganizing political subdivisions are not
38 being consolidated into one (1) of the reorganizing political
39 subdivisions;

40 (B) the reorganized political subdivision will have different
41 boundaries than any of the reorganizing political
42 subdivisions;

43 (C) the reorganized political subdivision will have different
44 appointment or election districts than any of the reorganizing
45 political subdivisions; or

46 (D) the finally adopted plan of reorganization requires new
47 appointed or elected officers before the reorganization
48 becomes effective.

49 (b) A reorganization approved under this chapter may not take
50 effect during the year preceding a year in which a federal decennial
51 census is conducted. A consolidation that would otherwise take

1 effect during the year preceding a year in which a federal decennial
2 census is conducted takes effect January 2 of the year in which a
3 federal decennial census is conducted.

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

5 (1) all of the participating political subdivisions, except the
6 reorganized political subdivision, cease to exist;

7 (2) unless the plan of reorganization provides for the
8 continuation of the term of office, the term of each of the
9 elected offices of each of the reorganizing political subdivisions
10 is terminated;

11 (3) if the plan of reorganization transfers the responsibilities of
12 any office to another office, the office from which the
13 responsibilities were transferred is abolished;

14 (4) the executives, legislative bodies, and fiscal bodies of the
15 reorganizing political subdivisions (other than any
16 reorganizing political subdivision that is treated under the plan
17 of reorganization as the successor reorganized political
18 subdivision) are abolished, and the responsibilities of the
19 executives, legislative bodies, and fiscal bodies are transferred
20 to the executive, legislative body, and fiscal body of the
21 reorganized political subdivision; and

22 (5) the property and liabilities of the reorganizing political
23 subdivisions become the property and liabilities of the
24 reorganized political subdivision, subject to section 40 of this
25 chapter.

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

28 (1) the fiscal bodies of the reorganizing political subdivisions
29 shall, in the manner provided by IC 6-1.1-17, adopt tax levies,
30 tax rates, and a budget for the reorganized political subdivision
31 either through the adoption of substantially identical
32 resolutions adopted by each of the fiscal bodies or, if
33 authorized in the plan of reorganization, through a joint board
34 established under an agreement of the fiscal bodies on which
35 the members of each of the fiscal bodies are represented; and

36 (2) if the reorganized political subdivision will have elected
37 offices and different election districts than any of the
38 reorganizing political subdivisions, the legislative bodies of the
39 reorganizing political subdivisions shall establish the election
40 districts either through the adoption of substantially identical
41 resolutions adopted by each of the legislative bodies or, if
42 authorized in the plan of reorganization, through a joint board
43 established under an agreement of the legislative bodies on
44 which the members of each of the legislative bodies are
45 represented.

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

1 **Sec. 9. A reorganization may be initiated by:**

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

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

- 7 (1) proposes a reorganization;
 8 (2) names the political subdivisions that would be reorganized
 9 in the proposed reorganization; and
 10 (3) only in the case of a proposed reorganization described in
 11 section 1(a)(9) of this chapter, states whether the vote on the
 12 public question regarding the reorganization shall be:

- 13 (A) conducted on a countywide basis under section 30(b) of
 14 this chapter, without a rejection threshold; or
 15 (B) conducted on a countywide basis under section 30(b) of
 16 this chapter, with a rejection threshold.

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

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

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

27 (b) If the written petition is signed by at least five percent (5%)
 28 of the voters of the political subdivision, as determined by the vote
 29 cast in the political subdivision for secretary of state at the most
 30 recent general election, the clerk of the political subdivision shall
 31 certify the petition to the legislative body of the political
 32 subdivision.

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

- 41 (1) Decline to participate in the proposed reorganization.
 42 (2) Propose a reorganization with the political subdivisions
 43 named in the petition.
 44 (3) Propose a reorganization with political subdivisions that
 45 differ in part or in whole from the political subdivisions named
 46 in the petition.

47 (b) In the case of a resolution adopted under this section
 48 proposing a reorganization described in section 1(a)(9) of this
 49 chapter, the resolution must also state whether the vote on the
 50 public question regarding the reorganization shall be:

- 51 (1) conducted on a countywide basis under section 30(b) of this

1 chapter, without a rejection threshold; or
 2 (2) conducted on a countywide basis under section 30(b) of this
 3 chapter, with a rejection threshold.

4 (c) The clerk of the political subdivision adopting a resolution
 5 proposing a reorganization under this section shall certify the
 6 resolution to the clerk of each political subdivision named in the
 7 resolution.

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

11 (1) Adopt a resolution declining to participate in a proposed
 12 reorganization.

13 (2) Adopt a substantially identical resolution proposing to
 14 participate in a proposed reorganization with the political
 15 subdivisions named in a resolution certified to the political
 16 subdivision.

17 (3) Adopt a resolution proposing to participate in a proposed
 18 reorganization with political subdivisions that differ in part or
 19 in whole from the political subdivisions named in a resolution
 20 certified to the political subdivision.

21 (b) In the case of a resolution adopted under this section
 22 proposing to participate in a proposed reorganization described in
 23 section 1(a)(9) of this chapter, the resolution must also state
 24 whether the vote on the public question regarding the
 25 reorganization shall be:

26 (1) conducted on a countywide basis under section 30(b) of this
 27 chapter, without a rejection threshold; or

28 (2) conducted on a countywide basis under section 30(b) of this
 29 chapter, with a rejection threshold.

30 (c) The clerk of the political subdivision adopting a resolution
 31 proposing a reorganization under this section shall certify the
 32 resolution to the clerk of each political subdivision named in the
 33 resolution.

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

39 Sec. 15. Not later than thirty (30) days after the clerk of the last
 40 political subdivision to adopt a reorganization resolution under this
 41 chapter has certified the substantially identical resolution to all of
 42 the political subdivisions named in the resolution, the reorganizing
 43 political subdivisions shall appoint the number of individuals
 44 specified in section 16 of this chapter to serve on a reorganization
 45 committee to develop a plan of reorganization for the reorganizing
 46 political subdivisions.

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

49 (1) In accordance with an agreement adopted by the
 50 reorganizing political subdivisions. An agreement under this
 51 subdivision must provide that not more than a simple majority

1 of the members appointed by each political subdivision may be
2 members of the same political party.

3 (2) If an agreement does not provide for the membership of a
4 reorganization committee under this chapter, three (3)
5 members shall be appointed by the executive of each political
6 subdivision participating in the reorganization. Not more than
7 two (2) of the members appointed by an executive of a political
8 subdivision may be members of the same political party.

9 (b) The members of a reorganization committee serve at the
10 pleasure of the appointing authority. The reorganization committee
11 shall select a chairperson and any other officers that the
12 reorganization committee determines necessary from the members
13 of the reorganization committee.

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

18 (d) The reorganizing political subdivisions shall provide
19 necessary office space, supplies, and staff to the reorganization
20 committee. The reorganizing political subdivisions may employ
21 attorneys, accountants, consultants, and other professionals for the
22 reorganization committee.

23 (e) Except as otherwise provided in an agreement adopted by the
24 reorganizing political subdivisions, claims for expenditures for the
25 reorganization committee shall be made to the fiscal officer for the
26 reorganizing political subdivision with the largest population. The
27 fiscal officer shall pay the necessary expenditures and obtain
28 reimbursement from the reorganizing political subdivisions:

29 (1) in accordance with an agreement adopted by the
30 reorganizing political subdivisions; or

31 (2) in the absence of an agreement, in proportion to the
32 population of each reorganizing political subdivision.

33 Sec. 17. A reorganization committee may do the following:

34 (1) Adopt procedures governing the internal management of
35 the reorganization committee.

36 (2) Conduct public hearings on the plan of reorganization as
37 the reorganization committee determines necessary or
38 appropriate.

39 (3) Review the books and records of any reorganizing political
40 subdivision.

41 (4) Administer oaths.

42 (5) Issue and enforce subpoenas and discovery orders under
43 IC 4-21.5.

44 Sec. 18. (a) A reorganization committee shall prepare a
45 comprehensive plan of reorganization for the reorganizing political
46 subdivisions. The plan of reorganization governs the actions, duties,
47 and powers of the reorganized political subdivision that are not
48 specified by law.

49 (b) The plan of reorganization must include at least the following:

50 (1) The name and a description of the reorganized political
51 subdivision that will succeed the reorganizing political

- 1 subdivisions.
- 2 (2) A description of the boundaries of the reorganized political
3 subdivision.
- 4 (3) Subject to section 40 of this chapter, a description of the
5 taxing areas in which taxes to retire obligations of the
6 reorganizing political subdivisions will be imposed.
- 7 (4) A description of the membership of the legislative body,
8 fiscal body, and executive of the reorganized political
9 subdivision, a description of the election districts or
10 appointment districts from which officers will be elected or
11 appointed, and the manner in which the membership of each
12 elected or appointed office will be elected or appointed.
- 13 (5) A description of the services to be offered by the
14 reorganized political subdivision and the service areas in which
15 the services will be offered.
- 16 (6) The disposition of the personnel, the agreements, the assets,
17 and, subject to section 40 of this chapter, the liabilities of the
18 reorganizing political subdivisions, including the terms and
19 conditions upon which the transfer of property and personnel
20 will be achieved.
- 21 (7) Any other matter that the:
- 22 (A) reorganization committee determines to be necessary or
23 appropriate; or
- 24 (B) legislative bodies of the reorganizing political
25 subdivisions require the reorganization committee;
26 to include in the plan of reorganization.
- 27 (8) In the case of a reorganization described in section 1(a)(9)
28 of this chapter, if the legislative bodies of the reorganizing
29 political subdivisions have specified that the vote on the public
30 question regarding the reorganization shall be conducted on a
31 countywide basis under section 30(b) of this chapter with a
32 rejection threshold, the reorganization committee shall include
33 in the reorganization plan a rejection threshold, specified as a
34 percentage, that applies for purposes of section 32(b) of this
35 chapter. The rejection threshold must be the same for each
36 municipality that is a party to the proposed reorganization and
37 to the county that is a party to the proposed reorganization.
- 38 (9) In the case of a reorganization described in section 1(a)(9)
39 of this chapter, the reorganization committee shall determine
40 and include in the reorganization plan the percentage of voters
41 voting on the public question regarding the proposed
42 reorganization who must vote, on a countywide basis, in favor
43 of the proposed reorganization for the public question to be
44 approved. This percentage is referred to in this chapter as the
45 "countywide vote approval percentage". The countywide vote
46 approval percentage must be greater than fifty percent (50%).
- 47 (c) In the case of a reorganization described in section 1(a)(9) of
48 this chapter, the reorganization committee may not change the
49 decision of the legislative bodies of the reorganizing political
50 subdivisions regarding whether the vote on the public question
51 regarding the reorganization shall be conducted on a countywide

1 basis without a rejection threshold or with a rejection threshold.

2 (d) Upon completion of the plan of reorganization, the
3 reorganization committee shall present the plan of reorganization
4 to the legislative body of each of the reorganizing political
5 subdivisions for adoption. The initial plan of reorganization must
6 be submitted to the legislative body of each of the reorganizing
7 political subdivisions not later than one (1) year after the clerk of
8 the last political subdivision that adopts a reorganization resolution
9 under this chapter has certified the resolution to all of the political
10 subdivisions named in the resolution.

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

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

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

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

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

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

24 **Sec. 20.** At a public hearing on a plan of reorganization
25 conducted under section 19 of this chapter, or in a public meeting
26 held not more than thirty (30) days after the public hearing
27 concludes, a legislative body of a reorganizing political subdivision
28 shall do one (1) of the following:

29 (1) Adopt the plan of reorganization as presented to the
30 legislative body.

31 (2) Adopt the plan of reorganization with modifications.

32 (3) Reject the plan of reorganization and order a
33 reorganization committee to submit a new plan of
34 reorganization within thirty (30) days after the legislative body
35 rejects the plan of reorganization.

36 **Sec. 21.** Any modifications in a plan of reorganization that are
37 adopted by a legislative body of a reorganizing political subdivision
38 must be adopted by the legislative body of each of the reorganizing
39 political subdivisions before the modifications are effective.

40 **Sec. 22.** The legislative body of each reorganizing political
41 subdivision shall take any of the actions described in section 20 of
42 this chapter on a revised plan of reorganization submitted by a
43 reorganization committee and each resolution modifying a plan of
44 reorganization or revised plan of reorganization in the same
45 manner as the legislative body may take action on the initially
46 submitted plan of reorganization.

47 **Sec. 23.** The legislative body of a reorganizing political
48 subdivision shall certify the legislative body's final action on a plan
49 of reorganization or revised plan of reorganization, as modified by
50 the legislative body, in the manner prescribed by the department
51 of local government finance, to the following:

- 1 **(1) The chair of the reorganization committee.**
- 2 **(2) The clerk of each reorganizing political subdivision.**
- 3 **(3) The county fiscal officer of each county in which a**
4 **reorganizing political subdivision is located.**
- 5 **(4) The county recorder of each county in which a reorganizing**
6 **political subdivision is located.**

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

- 13 **(1) Not later than one (1) month after the end of the one (1)**
14 **year period in which the legislative bodies must adopt a plan of**
15 **reorganization, the reorganization committee shall submit a**
16 **final plan of reorganization to the legislative bodies of the**
17 **political subdivisions.**
- 18 **(2) Not later than one (1) month after receiving the final plan**
19 **of reorganization under subdivision (1), each of the legislative**
20 **bodies must:**
 - 21 **(A) hold a hearing on the final plan of reorganization; and**
 - 22 **(B) adopt either a resolution approving the final plan of**
23 **reorganization or a resolution rejecting the final plan of**
24 **reorganization.**

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

29 **(3) If a legislative body adopts a resolution approving the final**
30 **plan of reorganization, the legislative body shall certify its**
31 **approval under section 23 of this chapter.**

32 **(4) If any of the legislative bodies adopts a resolution rejecting**
33 **the final plan of reorganization, the registered voters of a**
34 **political subdivision in which the final plan of reorganization**
35 **was rejected by a legislative body under subdivision (2) may**
36 **submit a petition to the clerk of the circuit court approving the**
37 **final plan of reorganization and requesting that a public**
38 **question be held on the final plan of reorganization. The**
39 **petition must be submitted not later than one hundred eighty**
40 **(180) days after the legislative body voted to reject the final**
41 **plan of reorganization. If the petition is signed by at least ten**
42 **percent (10%) of the voters of the political subdivision, as**
43 **determined by the vote cast in the political subdivision for**
44 **secretary of state at the most recent general election:**

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

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

6 (1) **The county recorder of each county in which a reorganizing**
 7 **political subdivision is located.**

8 (2) **The department of local government finance.**

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

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

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

21 **Sec. 26. When a county recorder has received certifications under**
 22 **this chapter from all of the reorganizing political subdivisions,**
 23 **either from the legislative body of a political subdivision or from a**
 24 **clerk of the circuit court after a petition process under section 23.5**
 25 **of this chapter in a political subdivision, the county recorder shall**
 26 **notify the county election board of each county in which a**
 27 **reorganizing political subdivision is located that a public question**
 28 **on a plan of reorganization is eligible to be placed on the ballot for**
 29 **consideration of the voters of each of the reorganizing political**
 30 **subdivisions or (in the case of a reorganization described in section**
 31 **1(a)(9) of this chapter) for consideration by the voters of the entire**
 32 **county.**

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

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

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

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

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

1 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 reorganizing
 13 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 described
 21 in section 1(a)(9) 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 entire
 24 county;

25 (2) the vote on the public question by the voters of the entire
 26 county shall be tabulated;

27 (3) if the legislative bodies of the reorganizing political
 28 subdivisions have agreed that the vote on the public question
 29 shall be conducted with a rejection threshold, the vote on the
 30 public question by the voters of:

31 (A) each reorganizing municipality; and

32 (B) the county (excluding the voters of the reorganizing
 33 municipalities);

34 shall be tabulated separately; and

35 (4) the circuit court clerk shall issue, in a form prescribed by
 36 the state election board, separate certificates regarding
 37 whether the public question is approved or rejected by the
 38 voters of:

39 (A) the entire county;

40 (B) each reorganizing municipality (if the legislative bodies
 41 of the reorganizing political subdivisions have agreed that the
 42 vote on the public question shall be conducted with a
 43 rejection threshold); and

44 (C) the county, excluding the voters of the reorganizing
 45 municipalities (if the legislative bodies of the reorganizing
 46 political subdivisions have agreed that the vote on the public
 47 question shall be conducted with a rejection threshold);

48 voting on the public question

49 **Sec. 31. Each county recorder receiving a certification from a**
 50 **circuit court clerk under section 30 of this chapter shall file the**
 51 **certification without charge with the plan of reorganization**

1 recorded under section 25 of this chapter.

2 Sec. 32. (a) This subsection does not apply to a reorganization
3 described in section 1(a)(9) of this chapter. A reorganization as
4 specified in the plan of reorganization is approved if a majority of
5 the voters in each reorganizing political subdivision voting on the
6 public question approve the public question on the reorganization.
7 The vote of voters of a reorganizing political subdivision (for
8 example, a city) who also are voters in a second reorganizing
9 political subdivision (for example, a township) that is
10 geographically larger than the first political subdivision and that
11 includes the territory of the first political subdivision shall be
12 included only in the tally of votes for the first reorganizing political
13 subdivision in which the voters reside.

14 (b) This subsection applies only to a reorganization described in
15 section 1(a)(9) of this chapter. The reorganization is approved only
16 if:

17 (1) the percentage of voters voting on the public question who
18 vote, on a countywide basis, in favor of the proposed
19 reorganization is at least equal to the countywide vote approval
20 percentage specified in the final reorganization plan;

21 (2) if the legislative bodies of the reorganizing political
22 subdivisions have agreed that the vote on the public question
23 shall be conducted with a rejection threshold, the percentage
24 of voters of the county (excluding the voters of the reorganizing
25 municipalities) voting on the public question who vote against
26 the reorganization is less than the rejection threshold included
27 in the final reorganization plan; and

28 (3) if the legislative bodies of the reorganizing political
29 subdivisions have agreed that the vote on the public question
30 shall be conducted with a rejection threshold, the percentage
31 of voters of each reorganizing municipality voting on the public
32 question who vote against the reorganization is less than the
33 rejection threshold included in the final reorganization plan.

34 If the reorganization is not approved, the reorganization is
35 terminated. If the legislative bodies of the reorganizing political
36 subdivisions have agreed that the vote in the public question shall
37 be conducted with a rejection threshold, then in tabulating the
38 votes under subdivisions (2) and (3), the vote of voters of a
39 reorganizing municipality who also are voters in the county shall
40 be included only in the tally of votes for the municipality in which
41 the voters reside.

42 Sec. 33. Except in the case of a reorganization described in
43 section 1(a)(9) of this chapter, if a reorganization is not approved
44 by the majority of the voters in each reorganizing political
45 subdivision voting on the public question, the reorganization is
46 terminated. A political subdivision in which voters of the political
47 subdivision approved the reorganization may continue with a
48 reorganization with another political subdivision in which the
49 reorganization was approved only if a new plan of reorganization
50 is approved by the voters of each political subdivision in the
51 manner provided by this chapter. The reorganization committee

1 shall adopt a plan to specify how matters related to the termination
2 of the reorganization shall be handled.

3 **Sec. 34. (a) This section applies if:**

4 (1) in the case of a reorganization that is not described in
5 section 1(a)(9) of this chapter, the majority of the voters of each
6 of the reorganizing political subdivisions voting on the public
7 question approve the public question concerning the
8 reorganization; or

9 (2) in the case of a reorganization described in section 1(a)(9)
10 of this chapter, the reorganization is approved as set forth in
11 section 32(b) of this chapter.

12 (b) The political subdivisions are reorganized in the form and
13 under the conditions specified by the legislative bodies of the
14 reorganizing political subdivisions in the plan of reorganization
15 filed with the county recorder under this chapter.

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

17 (1) of the members of a governing body or officers that are
18 elected by the voters for a reorganized political subdivision
19 that:

20 (A) is a town; and

21 (B) has town boundaries that encompass part of another
22 town that was part of the reorganization;

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

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

25 (b) The members of each precinct board shall be jointly
26 appointed by the town election boards of each of the reorganizing
27 political subdivisions.

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

30 (b) At the next:

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

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

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

39 after the voters approve a reorganization, one (1) set of officers for
40 the reorganized political subdivision having the combined
41 population of the reorganizing political subdivisions shall be elected
42 by the voters in the territory of the reorganized political
43 subdivision as prescribed by statute.

44 (c) In the election described in subsection (b):

45 (1) one (1) member of the legislative body of the reorganized
46 political subdivision shall be elected from each election district
47 established by the reorganizing political subdivisions in
48 substantially identical resolutions adopted by the legislative
49 body of each of the reorganizing political subdivisions; and

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

1 (d) If appointed officers are required in the reorganized political
 2 subdivision, one (1) set of appointed officers shall be appointed for
 3 the reorganized political subdivision. The appointments shall be
 4 made as required by statute for the reorganized political
 5 subdivision. Any statute requiring an appointed officer to reside in
 6 the political subdivision where the appointed officer resides shall
 7 be treated as permitting the appointed officer to reside in any part
 8 of the territory of the reorganized political subdivision.

9 Sec. 37. The legislative bodies of the reorganizing political
 10 subdivisions and an adjacent political subdivision may change the
 11 boundaries of the reorganized political subdivision by adopting
 12 substantially identical resolutions clearly describing the boundary
 13 changes. The resolutions must be filed as required by law for a
 14 boundary change for the reorganized political subdivision and may
 15 not provide for a territory that is smaller than the territory
 16 permitted by law for any of the political subdivisions. If the law
 17 establishes additional procedures for the annexation or
 18 disannexation of the territory of a political subdivision, the political
 19 subdivisions changing boundaries must comply with the annexation
 20 or disannexation procedures required by law.

21 Sec. 38. A reorganized political subdivision has the powers
 22 granted by statute to a political subdivision of the same type as the
 23 reorganized political subdivision. However, if authorized by the
 24 plan of reorganization approved by the voters in a public question
 25 under this chapter, the reorganized political subdivision will
 26 exercise a power or have the officers or number of offices that a
 27 statute would have permitted any of the reorganizing political
 28 subdivisions to have.

29 Sec. 39. If a law does not permit the reorganized political
 30 subdivision to exercise generally throughout the territory of the
 31 reorganized political subdivision a power that any of the
 32 reorganizing political subdivisions had before the reorganization,
 33 the reorganized political subdivision may exercise the power
 34 outside the original territory of the reorganizing political
 35 subdivision only by following the laws applicable to the expansion
 36 of the service area of the reorganizing political subdivision.

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

39 (1) Indebtedness that was incurred by a political subdivision
 40 before the reorganization:

41 (A) may not be imposed on taxpayers that were not
 42 responsible for payment of the indebtedness before the
 43 reorganization; and

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

46 (2) Pension obligations existing as of the effective date of the
 47 reorganization:

48 (A) may not be imposed on taxpayers that were not
 49 responsible for payment of the pension obligations before the
 50 reorganization; and

51 (B) must be paid by the taxpayers that were responsible for

- 1 **payment of the pension obligations before the reorganization.**
- 2 **Sec. 41. (a) Notwithstanding any other law, an individual:**
- 3 **(1) who is employed as a firefighter or a police officer by a**
- 4 **political subdivision that is reorganized under this article;**
- 5 **(2) who is a member of the 1977 fund before the effective date**
- 6 **of the reorganization under this article; and**
- 7 **(3) who, after the reorganization, becomes an employee of the**
- 8 **fire department, police department, or county police**
- 9 **department of the reorganized political subdivision;**
- 10 **remains a member of the 1977 fund without being required to meet**
- 11 **the requirements under IC 36-8-8-19 and IC 36-8-8-21. The**
- 12 **firefighter or police officer shall receive credit for any service as a**
- 13 **member of the 1977 fund before the reorganization to determine**
- 14 **the firefighter's or police officer's eligibility for benefits under**
- 15 **IC 36-8-8.**
- 16 **(b) Notwithstanding any other law, an individual:**
- 17 **(1) who is employed as a firefighter by a political subdivision**
- 18 **that is reorganized under this article;**
- 19 **(2) who is a member of the 1937 fund before the effective date**
- 20 **of the reorganization under this article; and**
- 21 **(3) who, after the reorganization, becomes an employee of the**
- 22 **fire department of the reorganized political subdivision;**
- 23 **remains a member of the 1937 fund. The firefighter shall receive**
- 24 **credit for any service as a member of the 1937 fund before the**
- 25 **reorganization to determine the firefighter's eligibility for benefits**
- 26 **under IC 36-8-7.**
- 27 **(c) Notwithstanding any other law, an individual:**
- 28 **(1) who is employed as a member of a county police**
- 29 **department by a political subdivision that is reorganized under**
- 30 **this article;**
- 31 **(2) who is a member of the sheriff's pension trust before the**
- 32 **effective date of the reorganization under this article; and**
- 33 **(3) who, after the reorganization, becomes a law enforcement**
- 34 **officer of the reorganized political subdivision;**
- 35 **remains a member of the sheriff's pension trust. The individual**
- 36 **shall receive credit for any service as a member of the sheriff's**
- 37 **pension trust before the reorganization to determine the**
- 38 **individual's eligibility for benefits under IC 36-8-10.**
- 39 **(d) Notwithstanding any other law, an individual:**
- 40 **(1) who is employed as a police officer by a political subdivision**
- 41 **that is reorganized under this article;**
- 42 **(2) who is a member of the 1925 fund or 1953 fund before the**
- 43 **effective date of the reorganization under this article; and**
- 44 **(3) who, after the reorganization, becomes an employee of the**
- 45 **police department or county police department of the**
- 46 **reorganized political subdivision;**
- 47 **remains a member of the 1925 fund or 1953 fund. The police officer**
- 48 **shall receive credit for any service as a member of the 1925 fund or**
- 49 **1953 fund before the reorganization to determine the police**
- 50 **officer's eligibility for benefits under IC 36-8-6 or IC 36-8-7.5.**
- 51 **(e) Notwithstanding any other law, an individual:**

- 1 (1) who is employed by a political subdivision that is
 2 reorganized under this article;
 3 (2) who is a member of the pre-1996 account (as defined in
 4 IC 21-6.1-1-6.9) before the effective date of the reorganization
 5 under this article; and
 6 (3) who, after the reorganization, becomes an employee of the
 7 reorganized political subdivision in a position that qualifies the
 8 individual for service credit in the Indiana state teachers'
 9 retirement fund;
 10 remains a member of the pre-1996 account.

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

17 Sec. 43. The legislative body or voters of a reorganized political
 18 subdivision may terminate a reorganization or restore one (1) or
 19 more of the reorganizing political subdivisions participating in a
 20 reorganization in the same manner that a reorganization may be
 21 initiated under this chapter. If the voters in the reorganized
 22 political subdivision approve a public question approving
 23 termination of the reorganization or restoration of a reorganizing
 24 political subdivision, the reorganized political subdivision shall
 25 terminate the reorganization and restore the reorganizing political
 26 subdivisions in the same manner as a reorganization is completed
 27 under this chapter.

28 **Chapter 5. Cooperative Agreements and Transfers of**
 29 **Responsibilities**

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

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

- 39 (1) Its duration.
 40 (2) Its purpose.
 41 (3) The manner of financing, staffing, and supplying any joint
 42 undertaking and of establishing and maintaining a budget for
 43 any joint undertaking that is the subject of the cooperative
 44 agreement.
 45 (4) The methods that may be employed in accomplishing the
 46 partial or complete termination of the cooperative agreement
 47 and for disposing of property upon partial or complete
 48 termination of the cooperative agreement.
 49 (5) The manner in which the cooperative agreement is to be
 50 administered.
 51 (6) The manner of acquiring, holding, and disposing of real and

1 personal property that is the subject of the cooperative
2 agreement.

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

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

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

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

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

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

20 (1) may appropriate and pledge any legally available revenues
21 to the payment of the bonds, leases, or other obligations of
22 another political subdivision that is a party to the cooperative
23 agreement; and

24 (2) will appropriate legally available revenues for any other
25 payment under the cooperative agreement;
26 if the political subdivision's fiscal body finds that it is necessary,
27 desirable, and in the best interests of the residents of that political
28 subdivision.

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

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

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

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

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

49 SECTION 5. An emergency is declared for this act.

(Reference is to EHB 1362 as reprinted March 1, 2006.)

Conference Committee Report
on
Engrossed House Bill 1362

Signed by:

Representative Buck
Chairperson

Senator Riegsecker

Representative Yount

Senator Broden

House Conferees

Senate Conferees