

## 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**

**S**igned by:

\_\_\_\_\_  
Representative Buck  
Chairperson

\_\_\_\_\_  
Senator Riegsecker

\_\_\_\_\_  
Representative Yount

\_\_\_\_\_  
Senator Broden

**House Conferees**

**Senate Conferees**