
HOUSE BILL No. 1362

DIGEST OF INTRODUCED BILL

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

Synopsis: Local government reorganization. Establishes a uniform procedure for the reorganization of political subdivisions in any county. Provides that the reorganization process may be initiated by the legislative bodies of the reorganizing political subdivisions or by a petition signed by 10% of the voters in the reorganizing political subdivisions. Provides that a reorganization may occur only if the voters of the reorganizing political subdivisions approve the reorganization in a public question. 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. Requires the reorganizing political subdivisions to appoint individuals to a reorganization committee to develop a plan for reorganization. Specifies the elements that must be included in the plan. Provides that when the reorganization is effective, all the participating political subdivisions except the remaining reorganized political subdivision cease to exist. Makes related changes.

Effective: Upon passage.

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

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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HOUSE BILL No. 1362



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

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



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

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

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

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

25 **ARTICLE 1.5. GOVERNMENT MODERNIZATION**

26 **Chapter 1. General Provisions**

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

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

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

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reorganization of political subdivisions.

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

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

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

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

Sec. 7. This article does not prohibit the reorganization of a political subdivision under any other law that is not included in this article.

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

Chapter 2. Definitions

Sec. 1. The definitions in IC 3-5-2 and IC 36-1-2 apply throughout this article.

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

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

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

Sec. 5. "Reorganization committee" refers to a committee established under this article to assist reorganizing political subdivisions with developing a plan of reorganization.

Sec. 6. "Reorganized political subdivision" means the political subdivision that is the successor to the reorganizing political subdivisions participating in a reorganization.

Sec. 7. "Reorganizing political subdivision" refers to a political subdivision for which the voters have adopted a public question under this article approving a reorganization.

Chapter 3. Adjustment of Maximum Permissible Levies, Tax

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Rates, and Budgets

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

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

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

Sec. 4. Subject to this chapter, the department of local government finance shall adjust the maximum permissible property tax levies, maximum permissible property tax rates, and budgets of political subdivisions that enter into an agreement or a reorganization under this article as the department of local government finance determines necessary to do the following:

- (1) Eliminate double taxation by different political subdivisions for services or goods provided under this article.**
- (2) Eliminate any excess by which the amount of property taxes imposed by a political subdivision exceeds the amount necessary to pay for services or goods provided under this article.**
- (3) Restore taxing powers of a political subdivision after the termination of an agreement or a reorganization under this article that are necessary to fund governmental services to the individuals and entities served by the political subdivision.**
- (4) Restore taxing powers of a political subdivision after the withdrawal of a party from an agreement or a reorganization under this article that are necessary to fund governmental services to the individuals and entities served by the political subdivision.**

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

- (1) savings to its taxpayers; or**
- (2) reduction in the reasonably foreseeable expenses that**

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would otherwise be incurred by its taxpayers;
through an agreement or a reorganization under this article to
continue to levy part of the realized savings or reduction. The
adjustment under this section may not exceed fifty percent (50%)
of the savings or reduction realized in the first full year of
operation after the agreement or reorganization is implemented,
as determined by the department of local government finance.

Chapter 4. Reorganization by Referendum

Sec. 1. Any of the following may reorganize under this chapter:

- (1) Two (2) or more counties. A county reorganizing under this subdivision must be adjacent to at least one (1) other county participating in the reorganization.
- (2) Two (2) or more townships. A township reorganizing under this subdivision must be adjacent to at least one (1) other township participating in the reorganization.
- (3) Two (2) or more municipalities. A municipality reorganizing under this subdivision must be adjacent to at least one (1) other municipality participating in the reorganization.
- (4) Two (2) or more school corporations. A school corporation reorganizing under this subdivision must be adjacent to at least one (1) other school corporation participating in the reorganization.
- (5) Two (2) or more municipal corporations, other than a unit or a school corporation, that have substantially equivalent powers. A municipal corporation reorganizing under this subdivision must be adjacent to at least one (1) other municipal corporation participating in the reorganization.
- (6) Two (2) or more special taxing districts that are adjacent to at least one (1) other special taxing district participating in the reorganization.
- (7) A township and a municipality that is located in any part of the same township.
- (8) A county and one (1) or more townships that are located in the county.
- (9) A municipality and the county in which a majority of the population of the municipality resides.
- (10) A school corporation and a county or municipality in which a majority of the students of the school corporation have legal settlement (as defined by IC 20-18-2-11).
- (11) A municipal corporation, other than a unit or a school corporation, and a county or municipality in which a majority

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of the population of the municipal corporation resides.
Sec. 2. For purposes of this chapter, two (2) political subdivisions may not be treated as adjacent if the political subdivisions are connected by a strip of land that is less than one hundred fifty (150) feet wide.

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

- (1) Consolidation of the participating political subdivisions into a single new political subdivision.
- (2) Consolidation of the participating political subdivisions into one (1) of the participating political subdivisions.

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

- (1) Adjust any of its boundaries.
- (2) Establish a joint service area with another political subdivision.
- (3) Transfer the functions of an office to another office.
- (4) Provide for a legislative body, an executive, or a fiscal body of the reorganized political subdivision to exercise the powers of a legislative body, an executive, or a fiscal body of a reorganizing political subdivision.
- (5) Change the name of the political subdivision or select a new name.

Sec. 5. A reorganization may be initiated by:

- (1) adopting a resolution under section 6 of this chapter;
- (2) filing a petition under section 7 of this chapter.

Sec. 6. If the legislative bodies of two (2) or more political subdivisions that qualify for reorganization under this chapter adopt substantially identical resolutions:

- (1) requesting that a public question be presented to the voters of the political subdivisions to determine whether political subdivisions identified in the resolutions should be reorganized into one (1) political subdivision; and
- (2) stating the day of the election for which the legislative bodies seek the placement of the question on the ballot;

the clerks of the political subdivisions shall certify the public question in the form prescribed by the department of local government finance to the county election board of each county in which the political subdivisions are located.

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1 **Sec. 7. If each of the clerks of two (2) or more political**
 2 **subdivisions that qualify for reorganization under this chapter**
 3 **receives a written petition:**

- 4 **(1) in the form required by section 8 of this chapter;**
 5 **(2) signed by at least ten percent (10%) of the voters of the**
 6 **political subdivision, as determined by the vote cast in the**
 7 **political subdivision for secretary of state at the most recent**
 8 **general election;**
 9 **(3) requesting that a public question be presented to the voters**
 10 **of the political subdivisions to determine whether political**
 11 **subdivisions identified in the petition should be reorganized**
 12 **into one (1) political subdivision; and**
 13 **(4) stating the day of the election for which the voters seek the**
 14 **placement of the question on the ballot;**

15 **the clerks of the political subdivisions shall certify the public**
 16 **question in the form prescribed by the department of local**
 17 **government finance to the county election board of each county in**
 18 **which the political subdivisions are located.**

19 **Sec. 8. (a) This section applies to a petition under section 7 of**
 20 **this chapter.**

21 **(b) Each petition must be in the form prescribed by the**
 22 **department of local government finance.**

23 **(c) Each petition must comply with IC 3-10-9-6.**

24 **Sec. 9. The date of an election specified in a resolution under**
 25 **section 6 of this chapter or a petition under section 7 of this chapter**
 26 **must be the date of a:**

- 27 **(1) general election; or**
 28 **(2) primary election immediately preceding a general election.**

29 **Sec. 10. If a public question is certified to the county election**
 30 **board under section 6 or 7 of this chapter, the county election**
 31 **board shall place the public question on the ballot in accordance**
 32 **with IC 3-10-9 on the date specified in the resolution or petition.**
 33 **However, notwithstanding IC 3-10-9-6, if the election date specified**
 34 **in a resolution or petition:**

- 35 **(1) does not comply with section 9 of this chapter; or**
 36 **(2) is certified to the county election board too late to comply**
 37 **with IC 3-10-9-3;**

38 **the county election board shall place the public question on the**
 39 **ballot at the next election that complies with section 9 of this**
 40 **chapter and IC 3-10-9-3.**

41 **Sec. 11. A public question under this chapter shall be placed on**
 42 **the ballot in all of the precincts that are located in the political**

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1 subdivisions that are the subject of the proposed reorganization in
2 substantially the following form:

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

6 Sec. 12. IC 3 applies to the election at which a public question
7 under this chapter is considered.

8 Sec. 13. At the same time that election results are certified under
9 IC 3, the county clerks of the counties in which a public question
10 under this chapter is on the ballot shall jointly issue, in the form
11 prescribed by the state election board, a certificate declaring the
12 public question approved or rejected to the following:

13 (1) The clerk of each political subdivision that is the subject of
14 the proposed reorganization.

15 (2) The county auditor of each county in which a political
16 subdivision that is the subject of the proposed reorganization
17 is located.

18 (3) The department of local government finance.

19 (4) If any of the political subdivisions being reorganized is a
20 school corporation, the department of education.

21 Sec. 14. (a) This section applies when the voters of more than
22 one (1) political subdivision approve under this chapter a public
23 question to reorganize.

24 (b) Except as provided in subsection (c), the political
25 subdivisions are reorganized in the form and under the conditions
26 specified by the legislative bodies of the political subdivisions in a
27 plan of reorganization incorporated into a substantially identical
28 resolution adopted by each of the political subdivisions.

29 (c) This subsection applies if the public question is approved by
30 the voters in less than all of the political subdivisions that are
31 participating in the proposed reorganization. The legislative bodies
32 of the remaining political subdivisions for whom the voters
33 approved the public question shall reorganize without the political
34 subdivision that rejected the reorganization unless the legislative
35 bodies of each of the remaining political subdivisions adopt
36 substantially identical resolutions terminating the reorganization.

37 Sec. 15. (a) Except as provided in subsection (b), a
38 reorganization approved under this chapter takes effect when all
39 of the following have occurred:

40 (1) The later of:

41 (A) the date that a copy of a finally adopted plan of
42 reorganization is recorded as required by section 28 of this

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- chapter; or
- (B) the date specified in the finally adopted plan of reorganization.
- (2) The appointed or elected officers of the reorganized political subdivision are elected (as prescribed by section 30 of this chapter) or appointed and qualified, if:
 - (A) the reorganized political subdivision is a new political subdivision and reorganizing political subdivisions are not being consolidated into one (1) of the reorganizing political subdivisions;
 - (B) the reorganized political subdivision will have different boundaries than any of the reorganizing political subdivisions;
 - (C) the reorganized political subdivision will have different appointment or election districts than any of the reorganizing political subdivisions; or
 - (D) the finally adopted plan of reorganization requires new appointed or elected officers before the reorganization becomes effective.

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

Sec. 16. When a reorganization under this chapter is effective:

- (1) all of the participating political subdivisions, except the reorganized political subdivision, cease to exist;
- (2) unless the plan of reorganization provides for the continuation of the term of office, the term of each of the elected offices of each of the reorganizing political subdivisions is terminated;
- (3) if the plan of reorganization transfers the responsibilities of any office to another office, the office from which the responsibilities were transferred is abolished;
- (4) the executives, legislative bodies, and fiscal bodies of the reorganizing political subdivisions (other than any reorganizing political subdivision that is treated under the plan of reorganization as the successor reorganized political subdivision) are abolished and the responsibilities of the executives, legislative bodies, and fiscal bodies are transferred to the executive, legislative body, and fiscal body of the

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1 reorganized political subdivision; and
2 (5) the property and liabilities of the reorganizing political
3 subdivisions become the property and liabilities of the
4 reorganized political subdivision.

5 Sec. 17. Before a reorganization under this chapter takes effect,
6 the reorganizing political subdivisions may:

- 7 (1) carry out any:
 - 8 (A) of the powers of the reorganized political subdivision;
 - 9 or
 - 10 (B) part of the reorganization;
- 11 under an interlocal agreement adopted under IC 36-1-7;
- 12 (2) transfer the powers and duties of an office, a department,
- 13 or a function of any of the reorganizing political subdivisions
- 14 to another office or department under an agreement
- 15 incorporated into substantially identical resolutions adopted
- 16 by each of the political subdivisions whose offices,
- 17 departments, or functions are being consolidated; or
- 18 (3) use or loan any of the money or other assets of any of the
- 19 reorganizing political subdivisions for the purposes of the
- 20 reorganization.

21 Sec. 18. In the year before the year in which the participating
22 political subdivisions are reorganized under this chapter:

- 23 (1) the fiscal bodies of the reorganizing political subdivisions
- 24 shall, in the manner provided by IC 6-1.1-17, adopt tax levies,
- 25 tax rates, and a budget for the reorganized political
- 26 subdivision either through the adoption of substantially
- 27 identical resolutions adopted by each of the fiscal bodies or
- 28 through a joint board established under an agreement of the
- 29 fiscal bodies on which the members of each of the fiscal bodies
- 30 are represented; and
- 31 (2) if the reorganized political subdivision will have elected
- 32 offices and different election districts than any of the
- 33 reorganizing political subdivisions, the legislative bodies of the
- 34 reorganizing political subdivisions shall establish the election
- 35 districts either through the adoption of substantially identical
- 36 resolutions adopted by each of the legislative bodies or
- 37 through a joint board established under an agreement of the
- 38 legislative bodies on which the members of each of the
- 39 legislative bodies are represented.

40 Sec. 19. (a) Not later than thirty (30) days after the county
41 election board certifies the approval of a public question on
42 reorganization under this chapter, the reorganizing political

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1 subdivisions shall appoint the number of individuals specified in
2 section 20 of this chapter to serve on a reorganization committee
3 to develop a plan of reorganization for the reorganizing political
4 subdivisions.

5 (b) The reorganizing political subdivisions may appoint
6 members to a reorganization committee, which may conduct
7 planning discussions before the vote on a public question under this
8 chapter is conducted. However, a comprehensive plan of
9 reorganization may not be finally adopted until the election on the
10 public question is conducted.

11 Sec. 20. (a) Members shall be appointed to a reorganization
12 committee as follows:

13 (1) In accordance with an agreement adopted under section 17
14 of this chapter. An agreement under this subdivision must
15 provide that not more than a simple majority of the members
16 appointed by each political subdivision may be members of
17 the same political party.

18 (2) If an agreement does not provide for the membership of a
19 reorganization committee under this chapter, three (3)
20 members shall be appointed by the executive of each political
21 subdivision participating in the reorganization. Not more than
22 two (2) of the members appointed by an executive of a
23 political subdivision may be members of the same political
24 party.

25 (b) The members of a reorganization committee serve at the
26 pleasure of the appointing authority. The reorganization
27 committee shall select a chairperson and any other officers that the
28 reorganization committee determines necessary from the members
29 of the reorganization committee.

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

34 (d) The reorganizing political subdivisions shall provide
35 necessary office space, supplies, and staff to the reorganization
36 committee. The reorganizing political subdivisions may employ
37 attorneys, accountants, consultants, and other professionals for the
38 reorganization committee.

39 (e) Except as otherwise provided in an agreement adopted under
40 section 17 of this chapter, claims for expenditures for the
41 reorganization committee shall be made to the fiscal officer for the
42 reorganizing political subdivision with the largest population. The

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1 **fiscal officer shall pay the necessary expenditures and obtain**
2 **reimbursement from the reorganizing political subdivisions:**

3 **(1) in accordance with an agreement adopted under section 17**
4 **of this chapter; or**

5 **(2) in the absence of an agreement, in proportion to the**
6 **population of each reorganizing political subdivision.**

7 **Sec. 21. A reorganization committee may do the following:**

8 **(1) Adopt procedures governing the internal management of**
9 **the reorganization committee.**

10 **(2) Conduct public hearings on the plan of reorganization as**
11 **the reorganization committee determines necessary or**
12 **appropriate.**

13 **(3) Review the books and records of any reorganizing political**
14 **subdivision.**

15 **(4) Administer oaths.**

16 **(5) Issue and enforce subpoenas and discovery orders under**
17 **IC 4-21.5.**

18 **Sec. 22. (a) A reorganization committee shall prepare a**
19 **comprehensive plan of reorganization for the reorganizing political**
20 **subdivisions. The plan of reorganization governs the actions,**
21 **duties, and powers of the reorganized political subdivision that are**
22 **not specified by law.**

23 **(b) The plan of reorganization must include at least the**
24 **following:**

25 **(1) The name and a description of the reorganized political**
26 **subdivision that will succeed the reorganizing political**
27 **subdivisions.**

28 **(2) A description of the boundaries of the reorganized political**
29 **subdivision.**

30 **(3) A description of the taxing areas in which taxes to retire**
31 **obligations of the reorganizing political subdivisions will be**
32 **raised.**

33 **(4) A description of the membership of the legislative body,**
34 **fiscal body, and executive of the reorganized political**
35 **subdivision, a description of the election districts or**
36 **appointment districts from which officers will be elected or**
37 **appointed, and the manner in which the membership of each**
38 **elected or appointed office will be elected or appointed.**

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

42 **(6) The disposition of the personnel, the agreements, the**

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1 assets, and, subject to section 34 of this chapter, the liabilities
2 of the reorganizing political subdivisions, including the terms
3 and conditions upon which the transfer of property and
4 personnel will be achieved.

5 (7) Any other matter that the:
6 (A) reorganization committee determines to be necessary
7 or appropriate; or
8 (B) legislative bodies of the reorganizing political
9 subdivisions, in an agreement under section 17 of this
10 chapter, require the reorganization committee;
11 to include in the plan of reorganization.

12 (c) Upon completion of the plan of reorganization, the
13 reorganization committee shall present the plan of reorganization
14 to the legislative body of each of the reorganizing political
15 subdivisions for adoption. The initial plan of reorganization must
16 be submitted to the legislative body of each of the reorganizing
17 political subdivisions not later than one (1) year after the voters
18 approve the public question on the reorganization.

19 Sec. 23. The legislative body of each of the reorganizing political
20 subdivisions shall provide for the following:

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

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

28 (3) Conducting a public hearing on the plan of reorganization:
29 (A) not sooner than five (5) days after notice of the public
30 hearing is published under IC 5-3-1; and
31 (B) before the legislative body takes final action on the
32 resolution to adopt the plan of reorganization.

33 Sec. 24. At a public hearing on a plan of reorganization
34 conducted under section 23 of this chapter, or in a public meeting
35 held not more than thirty (30) days after the public hearing
36 concludes, a legislative body of a reorganizing political subdivision
37 shall do one (1) of the following:

38 (1) Adopt the plan of reorganization as presented to the
39 legislative body.

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

41 (3) Reject the plan of reorganization and order a
42 reorganization committee to submit a new plan of

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1 reorganization within thirty (30) days after the legislative
2 body rejects the plan of reorganization.

3 Sec. 25. Any modifications in a plan of reorganization that are
4 adopted by a legislative body of a reorganizing political subdivision
5 must be adopted by the legislative body of each of the reorganizing
6 political subdivisions before the modifications are effective.

7 Sec. 26. The legislative body of each reorganizing political
8 subdivision shall take action on a revised plan of reorganization
9 submitted by a reorganization committee and each resolution
10 modifying a plan of reorganization or revised plan of
11 reorganization in the same manner as the legislative body may take
12 action on the initially submitted plan of reorganization.

13 Sec. 27. The legislative body of a reorganizing political
14 subdivision shall certify the legislative body's final action on a plan
15 of reorganization or revised plan of reorganization, as modified by
16 the legislative body, in the manner prescribed by the department
17 of local government finance, to the following:

- 18 (1) The chair of the reorganization committee.
- 19 (2) The clerk of each reorganizing political subdivision.
- 20 (3) The county fiscal officer of each county in which a
- 21 reorganizing political subdivision is located.
- 22 (4) The county recorder of each county in which a
- 23 reorganizing political subdivision is located.
- 24 (5) The department of local government finance.
- 25 (6) The department of state revenue.
- 26 (7) If a reorganizing political subdivision is a school
- 27 corporation, the department of education.
- 28 (8) The state board of accounts.
- 29 (9) If an election district or a boundary is changed, the state
- 30 election board and the secretary of state.

31 Sec. 28. Each county recorder receiving a certification under
32 section 27 of this chapter shall record the certification and the plan
33 of reorganization in the records of the county recorder without
34 charge.

35 Sec. 29. (a) This section applies to an initial election:
36 (1) of the members of a governing body or officers that are
37 elected by the voters for a reorganized political subdivision
38 that:

- 39 (A) is a town; and
- 40 (B) has town boundaries that encompass part of another
- 41 town that was part of the reorganization;
- 42 (2) that is conducted before the reorganization takes effect;

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and
 (3) to which IC 3-10-7-1 applies.
 (b) The members of each precinct board shall be jointly appointed by the town election boards of each of the reorganizing political subdivisions.
 Sec. 30. (a) This section applies if section 15 of this chapter requires an election for a reorganization to become effective.
 (b) At the next:
 (1) general election, if the reorganized political subdivision is not a municipality or a school corporation;
 (2) municipal election, if the reorganized political subdivision is a municipality; or
 (3) primary or general election, as specified in an election plan adopted in substantially identical resolutions by the legislative body of each of the participating political subdivisions if the reorganized political subdivision is a school corporation;
 after the voters approve a reorganization, one (1) set of officers for the reorganized political subdivision having the combined population of the reorganizing political subdivisions shall be elected by the voters in the territory of the reorganized political subdivision as prescribed by statute.
 (c) In the election described in subsection (b):
 (1) one (1) member of the municipal legislative body shall be elected from each election district established by the reorganizing political subdivisions in substantially identical resolutions adopted by the legislative body of each of the reorganizing political subdivisions; and
 (2) the total number of at large members shall be elected as prescribed by statute for the reorganized political subdivision.
 (d) One (1) set of appointed officers shall be appointed for the reorganized political subdivision. The appointments shall be made as required by statute for the reorganized political subdivision. Any statute requiring an appointed officer to reside in the political subdivision where the appointed officer resides shall be treated as permitting the appointed officer to reside in any part of the territory of the reorganized political subdivision.
 Sec. 31. The legislative bodies of the reorganizing political subdivisions and an adjacent political subdivision may change the boundaries of the reorganized political subdivision by adopting substantially identical resolutions clearly describing the boundary changes. The resolutions must be filed as required by law for a boundary change for the reorganized political subdivision and may

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1 not provide for a territory that is smaller than the territory
2 permitted by law for any of the political subdivisions. If the law
3 establishes additional procedures for the annexation or
4 disannexation of the territory of a political subdivision, the political
5 subdivisions changing boundaries must comply with the annexation
6 or disannexation procedures required by law.

7 Sec. 32. A reorganized political subdivision has the powers
8 granted by statute to a political subdivision of the same type as the
9 reorganized political subdivision. However, the reorganizing
10 political subdivisions may by agreement provide that the
11 reorganized political subdivision will exercise a power or have the
12 officers or number of offices that a statute would have permitted
13 any of the reorganizing political subdivisions to have.

14 Sec. 33. If a law does not permit the reorganized political
15 subdivision to exercise generally throughout the territory of the
16 reorganized political subdivision a power that any of the
17 reorganizing political subdivisions had before the reorganization,
18 the reorganized political subdivision may exercise the power
19 outside the original territory of the reorganizing political
20 subdivision only by following the laws applicable to the expansion
21 of the service area of the reorganizing political subdivision.

22 Sec. 34. (a) Except as provided in subsection (b), if any
23 indebtedness of a reorganizing political subdivision exists after the
24 reorganization, the fiscal body of the reorganized political
25 subdivision shall annually levy a property tax or, if permitted by
26 the original obligation, another tax until the indebtedness is fully
27 paid. The tax rate may not exceed the tax rate necessary to repay
28 the indebtedness and interest on the indebtedness. The tax shall be
29 levied in:

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

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

- 38 (b) This subsection applies if:
 - 39 (1) a reorganizing political subdivision incurred an
 - 40 indebtedness before the reorganization became effective; and
 - 41 (2) as part of the reorganization, part of the territory of the
 - 42 reorganizing political subdivision was detached and

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transferred to a political subdivision that is not part of the reorganization.

The political subdivision with the detached area shall annually levy a property tax or, if permitted by the original obligation, another tax until the indebtedness is fully paid. The tax rate may not exceed the tax rate necessary to repay the indebtedness and interest on the indebtedness after deducting any payments made by the reorganized political subdivision under subsection (a). The tax shall be levied in the area served by the reorganizing political subdivision before the reorganization.

Sec. 35. (a) Notwithstanding any other law, an individual:

- (1) who is employed as a firefighter or a police officer by a political subdivision that is reorganized under this article;
 - (2) who is a member of the 1977 fund before the effective date of the reorganization under this article; and
 - (3) who, after the reorganization, becomes an employee of the fire department, police department, or county police department of the reorganized political subdivision;
- remains a member of the 1977 fund without being required to meet the requirements under IC 36-8-8-19 and IC 36-8-8-21. The firefighter or police officer shall receive credit for any service as a member of the 1977 fund before the reorganization to determine the firefighter's or police officer's eligibility for benefits under IC 36-8-8.

(b) Notwithstanding any other law, an individual:

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

(c) Notwithstanding any other law, an individual:

- (1) who is employed as a member of a county police department by a political subdivision that is reorganized under this article;
- (2) who is a member of the sheriff's pension trust before the effective date of the reorganization under this article; and
- (3) who, after the reorganization, becomes a law enforcement

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1 officer of the reorganized political subdivision;
2 remains a member of the sheriff's pension trust. The individual
3 shall receive credit for any service as a member of the sheriff's
4 pension trust before the reorganization to determine the
5 individual's eligibility for benefits under IC 36-8-10.

6 (d) Notwithstanding any other law, an individual:

7 (1) who is employed as a police officer by a political
8 subdivision that is reorganized under this article;

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

11 (3) who, after the reorganization, becomes an employee of the
12 police department or county police department of the
13 reorganized political subdivision;

14 remains a member of the 1925 fund or 1953 fund. The police
15 officer shall receive credit for any service as a member of the 1925
16 fund or 1953 fund before the reorganization to determine the
17 police officer's eligibility for benefits under IC 36-8-6 or
18 IC 36-8-7.5.

19 (e) Notwithstanding any other law, an individual:

20 (1) who is employed by a political subdivision that is
21 reorganized under this article;

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

25 (3) who, after the reorganization, becomes an employee of the
26 reorganized political subdivision in a position that qualifies
27 the individual for service credit in the Indiana state teachers'
28 retirement fund;

29 remains a member of the pre-1996 account.

30 Sec. 36. The legislative body or voters of a reorganized political
31 subdivision may terminate a reorganization or restore one (1) or
32 more of the reorganizing political subdivisions participating in a
33 reorganization in the same manner that a reorganization may be
34 initiated under this chapter. If the voters in the reorganized
35 political subdivision approve a public question approving
36 termination of the reorganization or restoration of a reorganizing
37 political subdivision, the reorganized political subdivision shall
38 terminate the reorganization and restore the reorganizing political
39 subdivisions in the same manner as a reorganization is completed
40 under this chapter.

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

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