

## 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.

# CONFERENCE COMMITTEE REPORT

**MADAM PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House 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**

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

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

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

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

22 **ARTICLE 1.5. GOVERNMENT MODERNIZATION**

23 **Chapter 1. General Provisions**

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

25 **(1) Grant broad powers to enable political subdivisions to**  
26 **operate more efficiently by eliminating restrictions under**  
27 **existing law that:**

- 28 **(A) impede the economy of operation of;**
- 29 **(B) interfere with the ease of administration of;**
- 30 **(C) inhibit cooperation among; and**
- 31 **(D) thwart better government by;**

32 **political subdivisions.**

33 **(2) Encourage efficiency by and cooperation among political**  
34 **subdivisions to:**

- 35 **(A) reduce reliance on property taxes; and**
- 36 **(B) enhance the ability of political subdivisions to provide**
- 37 **critical and necessary services.**

38 **(3) Strengthen the financial condition of state government.**

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

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

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

- 51 **(1) reorganize;**

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

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

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

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

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

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

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

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

## 27          Chapter 2. Definitions

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

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

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

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

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

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

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

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

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

## 51          Chapter 3. Adjustment of Maximum Permissible Levies, Tax

1 **Rates, and Budgets**

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

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

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

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

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

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

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

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

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

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

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

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

48 **Chapter 4. Reorganization by Referendum**

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

51 (1) **Two (2) or more counties. A county reorganizing under this**

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

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

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

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

9           **(1) Adjust any of its boundaries.**

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

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

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

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

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

22          **(1) The later of:**

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

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

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

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

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

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

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

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

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

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

50          **(b) A reorganization approved under this chapter may not take**  
 51          **effect during the year preceding a year in which a federal decennial**



1 census is conducted. A consolidation that would otherwise take  
2 effect during the year preceding a year in which a federal decennial  
3 census is conducted takes effect January 2 of the year in which a  
4 federal decennial census is conducted.

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

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

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

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

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

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

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

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

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

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

1 **government finance.**  
2 **Sec. 9. A reorganization may be initiated by:**  
3 (1) **adopting a resolution under section 10 of this chapter; or**  
4 (2) **filing a petition under section 11 of this chapter.**  
5 **Sec. 10. (a) The legislative body of a political subdivision may**  
6 **initiate a proposed reorganization under this chapter by adopting**  
7 **a resolution that:**  
8 (1) **proposes a reorganization;**  
9 (2) **names the political subdivisions that would be reorganized**  
10 **in the proposed reorganization; and**  
11 (3) **only in the case of a proposed reorganization described in**  
12 **section 1(a)(9) of this chapter, states whether the vote on the**  
13 **public question regarding the reorganization shall be:**  
14 (A) **conducted on a countywide basis under section 30(b) of**  
15 **this chapter, without a rejection threshold; or**  
16 (B) **conducted on a countywide basis under section 30(b) of**  
17 **this chapter, with a rejection threshold.**  
18 (b) **The clerk of the political subdivision adopting the resolution**  
19 **shall certify the resolution to the clerk of each political subdivision**  
20 **named in the resolution.**  
21 **Sec. 11. (a) The voters of a political subdivision may initiate a**  
22 **proposed reorganization by filing a written petition, substantially**  
23 **in the form prescribed by the department, with the clerk of the**  
24 **political subdivision that:**  
25 (1) **proposes a reorganization; and**  
26 (2) **names the political subdivisions that would be reorganized**  
27 **in the proposed reorganization.**  
28 (b) **If the written petition is signed by at least five percent (5%)**  
29 **of the voters of the political subdivision, as determined by the vote**  
30 **cast in the political subdivision for secretary of state at the most**  
31 **recent general election, the clerk of the political subdivision shall**  
32 **certify the petition to the legislative body of the political**  
33 **subdivision.**  
34 **Sec. 12. (a) If a petition is certified to the legislative body of a**  
35 **political subdivision under section 11 of this chapter, the legislative**  
36 **body shall conduct a public hearing on the proposed**  
37 **reorganization not sooner than five (5) days after publishing a**  
38 **notice of the public hearing under IC 5-3-1. Not more than thirty**  
39 **(30) days after the conclusion of the public hearing the legislative**  
40 **body shall adopt a resolution, substantially in the form prescribed**  
41 **by the department of local government finance, to do any of the**  
42 **following:**  
43 (1) **Decline to participate in the proposed reorganization.**  
44 (2) **Propose a reorganization with the political subdivisions**  
45 **named in the petition.**  
46 (3) **Propose a reorganization with political subdivisions that**  
47 **differ in part or in whole from the political subdivisions named**  
48 **in the petition.**  
49 (b) **In the case of a resolution adopted under this section**  
50 **proposing a reorganization described in section 1(a)(9) of this**  
51 **chapter, the resolution must also state whether the vote on the**

1 public question regarding the reorganization shall be:

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

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

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

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

13 (1) Adopt a resolution declining to participate in a proposed  
14 reorganization.

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

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

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

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

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

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

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

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

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

51 (1) In accordance with an agreement adopted by the

1 reorganizing political subdivisions. An agreement under this  
 2 subdivision must provide that not more than a simple majority  
 3 of the members appointed by each political subdivision may be  
 4 members of the same political party.

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

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

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

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

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

- 31 (1) in accordance with an agreement adopted by the
- 32 reorganizing political subdivisions; or
- 33 (2) in the absence of an agreement, in proportion to the
- 34 population of each reorganizing political subdivision.

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

- 36 (1) Adopt procedures governing the internal management of
- 37 the reorganization committee.
- 38 (2) Conduct public hearings on the plan of reorganization as
- 39 the reorganization committee determines necessary or
- 40 appropriate.
- 41 (3) Review the books and records of any reorganizing political
- 42 subdivision.
- 43 (4) Administer oaths.
- 44 (5) Issue and enforce subpoenas and discovery orders under
- 45 IC 4-21.5.

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

51 (b) The plan of reorganization must include at least the

1 following:

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

1 decision of the legislative bodies of the reorganizing political  
2 subdivisions regarding whether the vote on the public question  
3 regarding the reorganization shall be conducted on a countywide  
4 basis without a rejection threshold or with a rejection threshold.

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

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

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

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

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

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

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

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

32 (1) Adopt the plan of reorganization as presented to the  
33 legislative body.

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

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

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

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

50 **Sec. 23.** The legislative body of a reorganizing political  
51 subdivision shall certify the legislative body's final action on a plan

1 of reorganization or revised plan of reorganization, as modified by  
 2 the legislative body, in the manner prescribed by the department  
 3 of local government finance, to the following:

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

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

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

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

32 (3) If a legislative body adopts a resolution approving the final  
 33 plan of reorganization, the legislative body shall certify its  
 34 approval under section 23 of this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

48           **"Shall \_\_\_\_\_ (insert name of political subdivision) and**  
 49           **\_\_\_\_\_ (insert name of political subdivision) reorganize as**  
 50           **a single political subdivision?"**

51           **Sec. 29. IC 3 applies to the election at which a public question**



1 under this chapter is considered.

2 **Sec. 30. (a) Except as provided in subsection (b), at the same time**  
 3 **that election results are certified under IC 3, the circuit court clerk**  
 4 **of each of the counties in which a public question under this**  
 5 **chapter is on the ballot shall jointly issue, in the form prescribed by**  
 6 **the state election board, a certificate declaring whether the public**  
 7 **question is approved or rejected by a majority of the voters voting**  
 8 **on the public question in each of the reorganizing political**  
 9 **subdivisions. In addition to any other requirements in IC 3**  
 10 **concerning filing of the certification, the certification shall be sent**  
 11 **to each of the following:**

12 (1) The clerk of each of the reorganizing political subdivisions.

13 (2) The county auditor of each county in which a reorganizing  
 14 political subdivision is located.

15 (3) The county recorder of each county in which a reorganizing  
 16 political subdivision is located.

17 (4) The state board of accounts.

18 (5) The department of local government finance.

19 (6) The department of state revenue.

20 (7) The budget agency.

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

23 (b) In the case of a public question on a reorganization described  
 24 in section 1(a)(9) of this chapter:

25 (1) the public question on a plan of reorganization shall be  
 26 placed on the ballot for consideration by the voters of the  
 27 entire county;

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

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

34 (A) each reorganizing municipality; and

35 (B) the county (excluding the voters of the reorganizing  
 36 municipalities);

37 shall be tabulated separately; and

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

42 (A) the entire county;

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

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

51 voting on the public question

1       **Sec. 31.** Each county recorder receiving a certification from a  
2 circuit court clerk under section 30 of this chapter shall file the  
3 certification without charge with the plan of reorganization  
4 recorded under section 25 of this chapter.

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

17       **(b)** This subsection applies only to a reorganization described in  
18 section 1(a)(9) of this chapter. The reorganization is approved only  
19 if:

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

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

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

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

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

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

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

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

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

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

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

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

23 (A) is a town; and

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

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

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

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

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

33 (b) At the next:

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

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

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

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

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

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

1           body of each of the reorganizing political subdivisions; and  
 2           (2) the total number of at large members shall be elected as  
 3           prescribed by statute for the reorganized political subdivision.

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

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

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

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

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

42               (1) Indebtedness that was incurred by a political subdivision  
 43               before the reorganization:

44                   (A) may not be imposed on taxpayers that were not  
 45                   responsible for payment of the indebtedness before the  
 46                   reorganization; and

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

49               (2) Pension obligations existing as of the effective date of the  
 50               reorganization:

51                   (A) may not be imposed on taxpayers that were not

1 responsible for payment of the pension obligations before the  
2 reorganization; and

3 (B) must be paid by the taxpayers that were responsible for  
4 payment of the pension obligations before the  
5 reorganization.

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

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

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

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

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

20 **(b) Notwithstanding any other law, an individual:**

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

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

25 (3) who, after the reorganization, becomes an employee of the  
26 fire department of the reorganized political subdivision;

27 remains a member of the 1937 fund. The firefighter shall receive  
28 credit for any service as a member of the 1937 fund before the  
29 reorganization to determine the firefighter's eligibility for benefits  
30 under IC 36-8-7.

31 **(c) Notwithstanding any other law, an individual:**

32 (1) who is employed as a member of a county police  
33 department by a political subdivision that is reorganized under  
34 this article;

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

37 (3) who, after the reorganization, becomes a law enforcement  
38 officer of the reorganized political subdivision;

39 remains a member of the sheriff's pension trust. The individual  
40 shall receive credit for any service as a member of the sheriff's  
41 pension trust before the reorganization to determine the  
42 individual's eligibility for benefits under IC 36-8-10.

43 **(d) Notwithstanding any other law, an individual:**

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

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

48 (3) who, after the reorganization, becomes an employee of the  
49 police department or county police department of the  
50 reorganized political subdivision;

51 remains a member of the 1925 fund or 1953 fund. The police

1 officer shall receive credit for any service as a member of the 1925  
 2 fund or 1953 fund before the reorganization to determine the  
 3 police officer's eligibility for benefits under IC 36-8-6 or  
 4 IC 36-8-7.5.

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

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

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

11 (3) who, after the reorganization, becomes an employee of the  
 12 reorganized political subdivision in a position that qualifies the  
 13 individual for service credit in the Indiana state teachers'  
 14 retirement fund;

15 remains a member of the pre-1996 account.

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

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

### 33 Chapter 5. Cooperative Agreements and Transfers of 34 Responsibilities

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

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

44 (1) Its duration.

45 (2) Its purpose.

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

50 (4) The methods that may be employed in accomplishing the  
 51 partial or complete termination of the cooperative agreement

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

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

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

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

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

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

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

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

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

25 (1) may appropriate and pledge any legally available revenues  
26 to the payment of the bonds, leases, or other obligations of  
27 another political subdivision that is a party to the cooperative  
28 agreement; and

29 (2) will appropriate legally available revenues for any other  
30 payment under the cooperative agreement;

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

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

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

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

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

49 Sec. 8. The department of local government finance shall adjust  
50 as necessary tax rates, tax levies, and budgets of political  
51 subdivisions that enter into a cooperative agreement under this

1 **chapter in the same manner as tax rates, tax levies, and budgets are**  
2 **adjusted under IC 36-1.5-3 for reorganizing political subdivisions.**  
3 **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:

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Representative Buck  
Chairperson

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Senator Riegsecker

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Representative Yount

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Senator Delph

**House Conferees**

**Senate Conferees**