

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred House Bill No. 1362, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1           Page 2, delete line 42, begin a new paragraph and insert:
- 2           **"Sec. 2. This article contains full and complete authority for the**
- 3           **following:**
- 4                 **(1) Reorganization of political subdivisions.**
- 5                 **(2) Exercise of governmental functions under a cooperative**
- 6                 **agreement under this article.**
- 7                 **(3) Transfer of responsibilities between offices and officers**
- 8                 **under this article."**
- 9           Page 3, delete line 1.
- 10          Page 3, line 6, delete "to reorganize under this article." and insert
- 11          **"to:**
- 12                 **(1) reorganize;**
- 13                 **(2) exercise governmental functions under a cooperative**
- 14                 **agreement; or**
- 15                 **(3) transfer responsibilities between offices and officers;**
- 16          **under this article."**
- 17          Page 3, delete lines 17 through 19, begin a new paragraph and insert:
- 18          **"Sec. 7. This article does not prohibit the:**
- 19                 **(1) reorganization of one (1) or more political subdivisions;**

- 1           **(2) exercise of governmental functions under a cooperative**
- 2           **agreement; or**
- 3           **(3) transfer of responsibilities between offices and officers;**
- 4           **under another law that is not included in this article."**

5           Page 3, between lines 21 and 22, begin a new paragraph and insert:  
 6           **"Sec. 9. Political subdivisions and reorganization committees**  
 7           **acting under this article are subject to IC 5-14-1.5 (open door law)**  
 8           **and IC 5-14-3 (public records law)."**

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

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

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

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

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

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

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

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

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

- 26           **"(b) If a political subdivision reorganizes under this article with**
- 27           **one (1) or more other political subdivisions:**
- 28           **(1) any political subdivisions that did not participate in the**
- 29           **public question on the reorganization are not reorganized**
- 30           **under this article;**
- 31           **(2) the reorganization affects only those political subdivisions**
- 32           **in which the reorganization is approved as specified in this**
- 33           **article; and**
- 34           **(3) the reorganization does not affect the rights, powers, and**
- 35           **duties of any political subdivisions in the county in which the**
- 36           **reorganization is not approved as specified in this article."**

- 1 Page 6, line 35, after "subdivision" insert "**or (in the case of a**  
 2 **reorganization described in section 1(10) of this chapter) by the**  
 3 **voters of the entire county**".
- 4 Page 7, line 39, delete "." and insert ", **subject to section 40 of this**  
 5 **chapter**".
- 6 Page 9, line 2, delete "ten percent (10%)" and insert "**five percent**  
 7 **(5%)**".
- 8 Page 9, delete line 17.
- 9 Page 9, line 18, delete "(2)" and insert "**(1)**".
- 10 Page 9, line 20, delete "(3)" and insert "**(2)**".
- 11 Page 9, delete line 30.
- 12 Page 9, line 31, delete "(2)" and insert "**(1)**".
- 13 Page 9, line 33, delete "(3)" and insert "**(2)**".
- 14 Page 9, line 37, delete "(4)" and insert "**(3)**".
- 15 Page 14, line 12, after "subdivisions" delete "." and insert "**or (in the**  
 16 **case of a reorganization described in section 1(10) of this chapter)**  
 17 **for consideration by the voters of the entire county**".
- 18 Page 14, line 29, delete "At" and insert "**(a) Except as provided in**  
 19 **subsection (b), at**".
- 20 Page 15, between lines 6 and 7, begin a new paragraph and insert:  
 21 "**(b) In the case of a public question on a reorganization**  
 22 **described in section 1(10) of this chapter:**
- 23 **(1) the vote on the public question shall be tabulated on a**  
 24 **countywide basis;**
- 25 **(2) the circuit court clerk shall issue, in a form prescribed by**  
 26 **the state election board, a certificate declaring whether the**  
 27 **public question is approved by a majority of the voters of the**  
 28 **county voting on the public question;**
- 29 **(3) the reorganization is approved if a majority of the voters**  
 30 **of the county voting on the public question approve the**  
 31 **reorganization; and**
- 32 **(4) it is not required for approval of the reorganization that**  
 33 **a majority of the voters of each of the reorganizing political**  
 34 **subdivisions approve the reorganization**".
- 35 Page 15, line 11, after "32." insert "**(a) This subsection does not**  
 36 **apply to a reorganization described in section 1(10) of this**

1 **chapter."**

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

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

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

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

9 Page 15, line 33, after "reorganization" delete "." and insert "**or (in**  
10 **the case of a reorganization described in section 1(10) of this**  
11 **chapter) if a majority of the voters of the entire county approve the**  
12 **public question concerning the reorganization."**

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

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

17 **(1) Indebtedness that was incurred by a political subdivision**  
18 **before the reorganization:**

19 **(A) may not be imposed on taxpayers that were not**  
20 **responsible for payment of the indebtedness before the**  
21 **reorganization; and**

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

24 **(2) Pension obligations existing as of the effective date of the**  
25 **reorganization:**

26 **(A) may not be imposed on taxpayers that were not**  
27 **responsible for payment of the pension obligations before**  
28 **the reorganization; and**

29 **(B) must be paid by the taxpayers that were responsible**  
30 **for payment of the pension obligations before the**  
31 **reorganization."**

32 Page 18, delete lines 1 through 34.

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

34 **"Chapter 5. Cooperative Agreements and Transfers of**  
35 **Responsibilities**

36 **Sec. 1. Notwithstanding any other law, two (2) or more political**

1 subdivisions may enter into a cooperative agreement under this  
2 chapter by using the same procedures set forth in this article for  
3 the initiation and approval of a reorganization under this article.  
4 A cooperative agreement under this chapter may be initiated and  
5 approved only in the manner set forth in this article for the  
6 initiation and approval of a reorganization under this article.

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

9 (1) Its duration.

10 (2) Its purpose.

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

15 (4) The methods that may be employed in accomplishing the  
16 partial or complete termination of the cooperative agreement  
17 and for disposing of property upon partial or complete  
18 termination of the cooperative agreement.

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

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

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

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

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

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

36 Sec. 4. A political subdivision may enter into a cooperative  
37 agreement with an entity to share the services of an employee

1 employed by any party to the agreement.

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

4 (1) may appropriate and pledge any legally available  
5 revenues to the payment of the bonds, leases, or other  
6 obligations of another political subdivision that is a party to  
7 the cooperative agreement; and

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

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

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

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

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

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

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

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

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

**and when so amended that said bill do pass.**

Committee Vote: Yeas 6, Nays 5.

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**Riegsecker**

**Chairperson**